

15 August 2025

**The Honorable Yun Cheol Koo**

Chair, APEC Finance Ministers' Meeting

Deputy Prime Minister and Minister of Economy and Finance

Republic of Korea

Dear Deputy Prime Minister Koo,

It is my honor and privilege, on behalf of the APEC Business Advisory Council (ABAC), to present to you our recommendations for APEC Finance Ministers this year.

Our number one concern is that we face significant financial and economic risks. Instead of coming together, we are going backwards in our efforts to drive trade and investment cooperation and support overall productivity and economic growth for all. It is imperative that Ministers speak to the importance of working together to boost trade, and bolster investor and consumer confidence which support financial and economic stability in the interests of all.

We highlight the following key issues of importance to the business community:

***Stability, certainty, predictability, and support for the institutional architecture underpinning the global financial system***

ABAC Members are clear-eyed on the global strategic and economic risks, structural changes and challenges to the region, and the risk to the financial and economic outlook, especially this year. ABAC remains committed to the principles of free and open trade and investment, and the ideals of economic integration, as the proven and most effective way to deliver prosperity for all people in the region. We write to you at a time of instability and uncertainty, when the Asia-Pacific financial and trading systems face substantial and unprecedented challenges, and unpredictability is undermining confidence for investment. Significant disruption of trade and the impact of protectionism inevitably have detrimental impacts on investment decision-making, currency, bond and equity markets stability, and inflationary pressures, all affecting business confidence and efficacy. Demographic shifts, the cost-of-living crisis, and the impact of more limited international development assistance for developing economies, may all contribute to instability in the global economy.

APEC continues to play an important role in bringing government and business together, and making the case for maintaining stable markets and facilitating trade and investment in the region. We are alarmed about the structural economic challenges over many years driving us further away from our original goals. The impact of current policy changes this year in particular are taking an even greater toll on the institutions and stability of the global financial system. We are also deeply concerned about the threat of termination of the WTO E-Commerce Moratorium which could see tariffs introduced on trade in digital products resulting in harms to growth and inclusion while delivering only minimal fiscal benefits. Economic engagement between APEC economies remains a driving force for our collective good. The APEC business community remains committed to the

global financial system and the power of regional cooperation and collaboration to return the equilibrium required for harmony, and investment and trading confidence.

**ABAC urges Ministers to act to stabilize the economy and restore mutually beneficial trading arrangements as quickly as possible, and support a permanent E-Commerce Moratorium in the WTO.**

***Funding the investment gaps for energy transition and security, and digital transformation***

This year, we reflected on the substantial investment funding gap for digital transformation, energy transition and security which remains unresolved. The advent of artificial intelligence (AI) has exacerbated this challenge, in the rush for even more capacity to enable the AI led transformation. It is imperative that we address the persistent and uneven (and for energy, worsening) infrastructure investment gap in the region. Addressing the financing challenges of digital transformation, energy transition and security is crucial for closing the significant gap of USD 2.5 trillion annually needed to achieve net-zero emissions by 2050. Beyond net-zero, the economic development of developing economies, global intensive computing demand, and related energy goals in achieving energy efficiency and security, there is a pressing need for economies to accelerate the transformation of energy systems, causing a ballooning financing gap. To address this, a strong regime that will lead and drive bolder efforts in direct financing participation to facilitation and establishment of supportive financing mechanisms and frameworks is essential. Current progress is hindered by a lack of regulatory guidance and regional standardization as well as the under-utilization of revenue protection and viable investment mechanisms.

While achieving our climate goals is an urgent priority, it presents significant challenges, including technological hurdles and cost burdens. Addressing the challenges is increasingly complex, given the region's diverse economic development stages, industrial structures, and energy supply frameworks.

**ABAC urges APEC economies to establish an investment environment and frameworks for transition financing to secure necessary investments, balancing sustainable economic growth with decarbonization and low-carbon development requirements.**

The insurance sector is uniquely positioned to support energy transformations across the APEC region. It not only helps to assess and manage complex risks, but also unlocks investment, supports climate resilience, and enables the deployment of key energy technologies. To maximize the full potential of the insurance industry, APEC should leverage the knowledge within the industry early on in project development and establish stable policy and regulatory frameworks to build an enabling environment that will expedite the development of risk management solutions and activate cross-sectoral discussions with relevant stakeholders around energy transition and resilience.

**ABAC urges APEC economies to support an ABAC Insurance and Energy Transition Toolkit; establish stable policy, regulatory frameworks, and harmonization across borders to build an enabling environment; expedite development of risk management solutions, standards for risk management that can help replicate projects faster; incorporate prefunded financial protection in energy transition projects; activate cross-sectoral discussions with relevant stakeholders and government around energy transition and resilience; and include the private sector insurance industry early on in project phasing and development.**

In 2024, the digital economy represented [15%](#) of global GDP, increasingly driven by the deployment of AI. As digital infrastructure expands to meet the growing demands of AI, cloud, and advanced computing, the energy and environmental impacts of data centers are rising sharply.

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Without coordinated action, digital growth risks becoming a liability rather than a strategic asset. APEC economies should coordinate investments in research and development and deployment of advanced cooling, heat reuse, integrated zone design, next-generation chips and semiconductors—scaling these technologies to maximize synergies and embed efficiency across data center operations.

**ABAC urges APEC economies to prioritize and invest in sustainable AI infrastructure—including data centers, computing infrastructure, water supply and power grids, to support both innovation and climate goals.**

### *Demographic change, financial inclusion and harnessing pay equity*

As APEC economies confront the dual pressures of aging populations and declining birth rates, the need for strategic, forward-looking responses from both governments and businesses has become paramount. ABAC welcomes Korea's effort to develop a leaders-level deliverable for APEC on demographic challenges and emphasizes the critical roles which can be played by the private sector in helping economies adapt and mitigate the impacts of these transitions.

**ABAC encourages APEC economies to develop sustainable pension systems and improved financial literacy, alongside accessible retirement planning tools, which are essential to ensure financial security for aging populations, reducing poverty risks and enabling longer, more independent and dignified post-retirement lives and to pivot from hospital-centric care to preventive, community services; and improve healthcare financing to sustainably support older populations.**

Addressing gender pay gaps is a fiscal and economic imperative. ABAC's Equal Pay Framework supports businesses to voluntarily improve pay equity and productivity. Equitable pay drives growth, retention, and resilience. The economic rationale for business is clear: closing the gender pay gap could add up to USD \$4.5 trillion in regional gross domestic product (GDP). ABAC urges Ministers to recognize gender pay transparency as a foundational step in building fairer, more resilient economies. The Framework offers a low-cost, high-impact solution to strengthen labor markets, improve tax equity, and support inclusive growth.

**ABAC asks Finance Ministers to endorse the ABAC Equal Pay Framework as a voluntary tool that enables business to identify and address gender-based wage disparities.**

### *Resilience and Connectivity*

One thing we can do this year is make progress on paperless trade. This is long overdue. Interoperable and efficient digital (paperless) trade connectivity is essential for effective digitization and economic integration between APEC economies. Financial institutions, exporters and logistics operators are key stakeholders playing an important role in advancing APEC digital trade connectivity. ABAC has been working to advance regional digital trade transformation and connectivity through our work on the Digital Trade Connect Facilitation Group (DTCF), with adoption of regional standards and guidelines, and accelerating live commercial digital trade connectivity with an end-to-end connectivity. We have also proposed the establishment of an APEC Centre of Excellence on Paperless Trade (ACCEPT) to support training and adoption of paperless trade around the region.

**ABAC asks Ministers to support regional digital (paperless) trade connectivity in APEC, including through the establishment of ACCEPT and in the further development of the Digital Trade Connect Network, in partnership with the private sector, to strengthen regional resilience and foster innovation through the development of a more connected, interoperable, and efficient digital trade ecosystem.**

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## ***Designing a new Finance Ministers' Process Roadmap***

ABAC acknowledges the concrete achievements of public-private collaboration under the Cebu Action Plan (CAP) over the past decade. Many CAP initiatives continue to be relevant, and there remain areas where further progress is needed. New developments, including heightened risks from natural disasters and pandemics, advances in technology, business models and products, and the need for the private sector to play a larger role in financing the region's development, should also be taken into account.

Responding to these challenges and opportunities will require stronger regional financial cooperation and public-private collaboration. Based on our discussions with private and public sector stakeholders, **we recommend the following:**

- **The new FMP Roadmap should call for more intensive efforts to fully implement key CAP initiatives.** These include improving micro-, small and medium enterprises (MSMEs)' access to finance, promoting financial inclusion; expanding participation in the Asia Region Funds Passport; enhancing resilience; promoting bankable infrastructure public-private partnership projects; and enabling long-term institutional investors to play a greater role in financing growth.
- **The new FMP Roadmap should provide a framework for leveraging innovation in technologies, products and processes to promote inclusive, sustainable and resilient growth.** It should include initiatives to digitalize trade finance and payments; develop interoperable open finance/open data systems; leverage digital technology in improving financial regulation and supervision, combating financial crime, and promoting financial inclusion; develop enabling ecosystems for new technologies and products in the financial sector; adopt innovative solutions to promote large-scale capital mobilization; and facilitate the financing of cleaner, more efficient and more secure energy systems.

Details of our recommendations on all these and other issues are provided in our attached report.

We are also pleased to submit a combined report on the roundtables convened to discuss the New Roadmap, and the 2025 Progress Report of the Asia-Pacific Financial Forum (APFF), the Asia-Pacific Financial Inclusion Forum (APFIF) and the Asia-Pacific Infrastructure Partnership (APIP). These can be downloaded through this link:

<https://www2.abaonline.org/content/download/22639001>

We look forward to meeting with you and your colleagues in October. We note that this year is of particular significance as it marks the 20<sup>th</sup> anniversary of dialogues between ABAC and APEC Finance Ministers. These opportunities to discuss issues of importance to the region and the business community are greatly appreciated by ABAC Members and we hope provide a useful exchange for you and other APEC Finance Ministers.

Yours sincerely,



**H. S. Cho**  
ABAC Chair 2025

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## ABAC REPORT TO APEC FINANCE MINISTERS

### Introduction

Regional business is confronting significantly changed and unprecedented circumstances, including instability in global financial and trading systems, and uncertainty and unpredictability in policy and decision making. ABAC Members remain committed to the principles of free and open trade and investment, and the ideals of economic integration, as the proven and most effective way to deliver prosperity for all people in the region. Economic volatility and unpredictability undermine the stability which has previously brought confidence for investment, and the cooperation necessary to drive growth and prosperity. ABAC is concerned about the impact of current policy changes on the institutions and stability of the global financial system, a system which has helped contribute to peace and prosperity since the Second World War.

APEC continues to play an important role in bringing government and business together, and advocating for maintaining stable markets and facilitating trade and investment in the region. Economic engagement between APEC economies remains a driving force for our collective good. The *International Monetary Fund (IMF) World Economic Outlook Report* released in April 2025 warned against scaled back international cooperation, noting it could undermine the resilience of the global economy, and advising economies to work constructively to promote a stable and predictable trade environment and to facilitate international cooperation, while addressing policy gaps and domestic structural imbalances.

The extreme disruption of trade and challenges to upholding a rules-based free trade system harm investment decision-making, currency, bond and equity markets stability, and inflationary pressures, all affecting business confidence and efficacy. Demographic shifts, the cost-of-living crisis, and the impact of more limited international development assistance for developing economies, may all contribute to instability in the global economy.

Our number one concern is that we face significant financial and economic risks. Instead of coming together, we are going backwards in our efforts to drive trade and investment cooperation and support overall productivity and economic growth for all. It is imperative that Ministers speak to the importance of working together to boost trade, and bolster investor and consumer confidence and support financial and economic stability in the interests of all.

The APEC business community remains committed to the global financial system and the power of regional cooperation and collaboration to return the equilibrium required for harmony, investment and trading confidence.

This year, ABAC has focused upon the following priorities in our work:

- Financing investment gaps for digital transformation, energy transition and security
- Financial inclusion for development
- Resilient financial systems for trade, investment and development
- ABAC's contribution to developing a New Finance Ministers' Process Roadmap
- Implementation of ABAC's recommendations.

With this backdrop, ABAC raises the following key issues for the regional business community:

## *A. Financing investment gaps for digital transformation, energy transition and security*

This year, ABAC reflected on the fact that the substantial investment funding gap for energy transitions and digital transformation remains unresolved. The advent of artificial intelligence (AI) has exacerbated this challenge, in the rush for even more capacity to enable the AI led transformation. Addressing these financing challenges is crucial for closing the significant gap of USD 2.5 trillion annually needed to achieve net-zero emissions by 2050. Beyond net-zero, the economic development of developing economies, global intensive computing demand, and related energy goals in achieving energy efficiency and security, there is a pressing need for economies to accelerate the transformation of energy systems, contributing to a ballooning financing gap. To address this, strong leadership to drive bolder efforts in direct financing participation, and establishment of supportive financing mechanisms and frameworks is essential. Current progress is hindered by a lack of regulatory guidance and regional standardization as well as the under-utilization of revenue protection and viable investment mechanisms.

While achieving climate goals is an urgent priority, it presents significant challenges, including technological hurdles and cost burdens. Addressing the challenges is increasingly complex, given the region's diverse economic development stages, industrial structures, and energy supply frameworks.

### **Recommendations:**

- **Prioritize energy transition and energy security** by integrating energy transition and security into economy-level development agendas, especially in light of rising energy demand from intensive computing and increasing supply constraints.
- **Strengthen enabling policy and regulatory frameworks** by introducing coherent, long-term policies to attract investment – such as corporate power purchase agreement frameworks, decarbonization pathways, feed-in tariffs, dispute resolution mechanisms, and blended finance vehicles to pool capital and allocate risks effectively.
- **Invest in resilient, modern, and interconnected power infrastructure** by accelerating investment in domestic and regional grids (e.g. the ASEAN Power Grid), expand capacity, and develop microgrids in remote areas. Binding regional agreements are needed to fast-track cross-border electricity trade and enhance regional energy resilience.
- **Harmonize regional standards and frameworks** by promoting the alignment of taxonomies, regulatory frameworks, and grid codes across economies. APEC should convene a dedicated dialogue to consolidate best practices and develop guidance toward an APEC-wide framework for energy and infrastructure investment.
- **Expand and diversify energy transition financing instruments** by developing financial tools that mitigate climate, currency, and interest rate risks. Explore portfolio-based approaches, capital pooling from diverse sources, and consider incentives such as capital relief for qualifying energy transition projects.

### **Accelerating transition finance**

Achieving our climate goals is an urgent priority, but it also presents significant challenges, including technological hurdles and cost burdens. The Asia-Pacific region, which accounts for the majority of global energy consumption and carbon dioxide (CO<sub>2</sub>) emissions, shoulders significant responsibility in decarbonization and low-carbon development efforts. However, due to the region's diverse economic development stages, industrial structures, and energy supply frameworks, addressing these challenges is increasingly complex. In energy supply, concerns are

growing due to global strategic and economic risks, the intensification of natural disasters, the threat of cyberattacks, and insufficient investment in energy resource development, which remains essential during the transition period. On the demand side, the electrification and digitalization of society, driven by the adoption of electric vehicles, data-driven systems like generative AI, and increased semiconductor production, are expected to lead to a surge in electricity consumption.

ABAC believes that APEC economies can lead the transition finance effort by setting clear policy frameworks and building project pipelines that drive decarbonization and low-carbon development, as well as actively working together to set interoperable, principle-based frameworks across economies. As the world evolves to be ever more digital, sectors such as data centers will require exponentially increasing energy demands. By leveraging existing decarbonization and low-carbon development pathways for policy change and support, this will give corporates the tools and incentives to adapt their businesses and transition to net-zero, with support from financial institutions and investors.

Beyond providing government financial incentives, government support in cutting red tape and overcoming regulatory hurdles can be instrumental in accelerating transition finance projects. Establishing a structured public sector to private sector dialogue to understand what is needed to incentivize or remove blockers to transition projects is key to making private investments more attractive. To motivate investment into transition finance projects, they must be economically viable and should also benefit the local economy and community.

### **Recommendations:**

- **Address needed reforms in the financial system to account for the climate risks and enable affordable, large-scale long-term financing.** This could allow for a paradigm shift in how energy transition and security projects are evaluated for bankability.
- **Establish clearer regulations and supportive policies and schemes** on topics such as feed-in tariffs, dispute resolution mechanisms and establishment of financial vehicles for capital pooling, among others. This would help establish a more attractive financing environment to crowd in more capital.
- **Harmonize taxonomies, frameworks and grid codes around the region** to allow for collective prioritization of energy transformation projects, and aid in boosting confidence in cross-border energy trading and attract investment.
- **Establish an investment environment and frameworks for transition financing** to secure necessary investments, noting that balancing sustainable economic growth with decarbonization and low-carbon development requires the stable supply of energy at reasonable prices, based on an optimal energy mix suited to each APEC economy.
- **Leverage existing decarbonization and low-carbon development pathways**—starting from the energy sector and then high-emitting sectors such as manufacturing, steel, aluminum and cement within APEC to accelerate transition finance.
- **Utilize public tools to help accelerate transition finance.**
- **Adopt interoperable principle-based frameworks.** Examples are principles for definitions for transition activities, so that investors and financiers can confidently channel capital and financing solutions across borders. A coordinated effort backed by bodies like the G20 or the United Nations Framework Convention on Climate Change (UNFCCC) could unlock substantial private capital investment by making transition finance credible and scalable.

## Leveraging the role of insurance in energy transitions

The insurance sector is uniquely positioned to support energy transformations across the APEC region. It not only helps to assess and manage complex risks, but also unlocks investment, supports climate resilience, and enables the deployment of key energy technologies. To maximize the full potential of the insurance industry, APEC should leverage the knowledge within the industry early on in project development and establish stable policy and regulatory frameworks to build an enabling environment that will expedite the development of risk management solutions and activate cross-sectoral discussions with relevant stakeholders around energy transition and resilience.

### Recommendations:

- **Support** an ABAC Insurance and Energy Transition Toolkit.
- **Establish stable policy, regulatory frameworks, and harmonization** across borders to build an enabling environment.
- **Expedite development** of risk management solutions, standards for risk management that can help replicate projects faster.
- **Incorporate prefunded financial protection** in energy transition projects.
- **Activate cross-sectoral discussions** with relevant stakeholders and government around energy transition and resilience.
- **Include the private sector insurance industry** early on in project phasing and development.

## Financing digital transformation

In 2024, the digital economy represented [15%](#) of global GDP. The rapid expansion of AI is an important driver of this digital economy growth. By 2030, global electricity demand from AI-intensive data centers is forecast to more than [quadruple](#). ABAC recognizes the significant benefits that AI can offer the region across a range of domains – but equally we are concerned that the infrastructure enabling its deployment must be environmentally sustainable, consistent with our broader climate goals. This reinforces the urgency of ABAC’s work on addressing the region’s worsening infrastructure investment gap. Many major economies and international organizations have recently committed to addressing the energy challenges of AI.

### Recommendations:

- **Prioritize and invest in sustainable AI infrastructure**—including data centers, computing infrastructure, water supply and power grids, to support both innovation and climate goals.
- **Lead coordinated investments** in research and development and deployment of advanced cooling, heat reuse, integrated zone design, next-generation chips and semiconductors—scaling these technologies to maximize synergies and embed efficiency across operations.
- **Forge regional compute-sharing partnerships** between economies to unlock economies of scale, reduce public spending and accelerate infrastructure development.

## **Advancing sustainability disclosure requirements: harmonization and convergence**

Economies worldwide are assessing mandatory sustainability disclosure requirements to ensure the burdens and benefits of sustainability reporting are appropriately balanced with competitiveness goals. APEC economies can meet this balance by enhancing cooperation to harmonize disclosure requirements and identify opportunities to reduce reporting burdens.

Across APEC, there are currently inconsistencies between reporting regimes related to the entities required to report, the timelines for reporting, and the topics required for disclosure. This fragmentation in reporting requirements undermines the integrity and comparability of reporting across jurisdictions – creating potential opportunities for greenwashing and increasing the cost and complexity of compliance for businesses, which in turn is diverting resources from actual sustainability initiatives. ABAC encourages APEC economies considering mandatory sustainability disclosure to ensure a balance between competitiveness and sustainability reporting, and to support these emerging simplification trends to promote competitiveness and the continued convergence of requirements in the region.

### **Recommendations:**

- **Assess emerging sustainability disclosure requirements** to reduce complexity, alleviate burdens on economic operators, and ensure reporting obligations are appropriately balanced with competitiveness goals, including by revising the scope and timing of reporting obligations.
- **Create opportunities** to support the development of the sustainability disclosure ecosystem in APEC economies, including through capacity building activities with regulators, reporters (particularly micro-, small and medium enterprises (MSMEs)), and assurance providers, and ensuring appropriate reporting timelines to allow for the maturation of reporting ecosystems.
- **Establish a platform for regional public-private consultation and cooperation** on sustainability reporting, to promote regional and global convergence between sustainability disclosure frameworks across different jurisdictions.
- **Increase cooperation** with other leading intergovernmental forums active in this area, including the United Nations, G20, International Organization of Securities Commissions, OECD, and ASEAN among others.
- **Collaborate** with ABAC to produce clear guidance on mechanisms for interoperability and convergence between domestic and international frameworks, including by prioritizing climate reporting and granting equivalence to sustainability reports that comply with globally recognized standards.

## ***B. Financial inclusion for development***

### **Setting a regulatory landscape to promote financial innovation and inclusion**

Fintech ecosystems can help advance financial inclusion. This can be achieved through guidelines to ensure the security of financial systems, facilitating the establishment of digital banks by simplifying regulatory barriers and encouraging competition. This would also encourage the establishment of mechanisms to favor payment systems interoperability and enable seamless transactions across economies.

## Recommendation:

- **Address** the need for establishment of a regulatory landscape which will enable innovation and promote inclusion.

## Addressing demographic change

As APEC economies confront the dual pressures of aging populations and declining birth rates, the need for strategic, forward-looking responses from both governments and businesses has become paramount. ABAC welcomes Korea's effort to develop a leaders-level deliverable for APEC on demographic challenges and believes that the private sector has important roles to play in helping economies adapt and mitigate the impacts of these transitions. ABAC encourages consideration of the following issues in the development of APEC's strategy on addressing the demographic challenges in the region:

## Recommendations:

- **Impacts on labor supply and workforce resilience.** Policies that expand workforce participation, support cross-border migration and skills recognition, and leverage emerging technologies can counter demographic shifts, mitigate labor shortages, and strengthen workforce resilience by enhancing inclusion, productivity, and longevity.
- **Leveraging** demographic data to make highly accurate predictions about the timing and scale of population-driven social and economic transformations. This enables governments and businesses to proactively develop mid- to long-term strategies.
- **Sustainable pension systems and improved financial literacy,** alongside accessible retirement planning tools, are essential to ensure financial security for aging populations, reducing poverty risks and enabling longer, more independent and dignified post-retirement lives.
- **Strengthening women's health** across life stages and advancing universal health coverage supports maternal well-being, empowers family formation, and boosts workforce participation—creating healthier, more resilient societies with inclusive economic and demographic outcomes.

## Leveraging pay equity for stronger economic and fiscal performance

Persistent gender pay gaps across the region reduce tax revenue, lower household incomes, and limit women's participation in high-productivity sectors. APEC cannot afford this inefficiency. ABAC has developed an *Equal Pay Framework* to address this challenge head-on. The initiative is designed as a voluntary, business-led tool to help firms, especially MSMEs, identify wage disparities and take concrete steps to close them and improve profitability and market standing. The Framework draws on global models and best practice. It includes scalable tools to support employers in conducting wage audits, benchmarking salaries, and improving pay structures—without significant administrative burden. For smaller businesses, it offers tailored guidance, templates, and capacity building support. By promoting equitable pay, economies can enhance productivity, strengthen fiscal outcomes, and foster inclusive, gender-responsive growth. Investing in pay equity is not just the right thing to do, it is sound economic policy.

## Recommendations:

- **Recognize the macroeconomic value of closing gender pay gaps** and position equitable pay as a foundational element of economic resilience and inclusive growth.
- **Endorse the ABAC Equal Pay Framework as a regionally relevant model**, and support public-private cooperation to expand its reach and impact.

## *C. Resilient financial systems for trade, investment and development*

### Digital trade transformation and connectivity

One thing we can do this year is make progress on paperless trade. This is long overdue. Interoperable and efficient digital (paperless) trade connectivity is essential for effective digitization and economic integration between APEC economies. Financial institutions, exporters and logistics operators are key stakeholders playing an important role in advancing APEC digital trade connectivity. ABAC has been working to advance regional digital trade transformation and connectivity through our work on the Digital Trade Connect Facilitation Group (DTCF), with adoption of regional standards and guidelines, and accelerating live commercial digital trade connectivity with an end-to-end connectivity. We have also proposed the establishment of an APEC Centre of Excellence on Paperless Trade (ACCEPT) to support training and adoption of paperless trade around the region.

## Recommendation:

- **Support regional digital (paperless) trade connectivity in APEC**, including through the establishment of ACCEPT and in the further development of the Digital Trade Connect Network, in partnership with the private sector, to strengthen regional resilience and foster innovation through the development of a more connected, interoperable, and efficient digital trade ecosystem.

### Standardizing tax and customs mechanisms

Customs authorities are increasingly scrutinizing related-party transactions. The fluctuating values of imports and exports, influenced by global events, complicate customs declarations. Additionally, MSMEs face significant challenges from market distortions, which can hinder their competitiveness and profitability. The lack of clarity in modifying import declarations and the differing methodologies between customs and transfer pricing regulations create complexities for taxpayers, leading to potential audits and compliance issues which ultimately translate into higher costs. Adopting a mechanism aimed at standardizing and simplifying customs procedures and transfer pricing challenges, through Advance Pricing Agreements (APAs) or ruling mechanisms wherein tax authorities, customs authorities, and taxpayers may agree on and clarify tax and customs implications in advance would overcome these issues. The solution should harmonically address, among all members, a practical mechanism for recognizing pricing adjustments from both tax accounting and customs perspectives in order to facilitate compliance. These adjustments must enable timely updates to import prices, while ensuring compliance with customs regulations. By adopting these measures, a more coherent regulatory framework that benefits both multinational companies and MSMEs, would be created, ultimately enhancing global trade efficiency.

## Recommendation:

- **Support** a mechanism aimed at standardizing and simplifying customs procedures and transfer pricing challenges, through APAs or ruling mechanisms wherein tax authorities, customs authorities, and taxpayers may agree on and clarify tax and customs implications in advance.

### *D. ABAC's contribution to a New Finance Ministers' Process Roadmap*

ABAC acknowledges the concrete achievements of public-private collaboration under the Cebu Action Plan (CAP) over the past decade. In particular, we note progress in improving access to finance for MSMEs and financially underserved consumers, establishing the Asia Region Funds Passport, strengthening resilience, and facilitating private participation in infrastructure projects. As the CAP draws to a close this year, we welcome the launch of a new Finance Ministers' Process (FMP) Roadmap.

We note that many initiatives under CAP continue to be relevant, and there remain areas where further progress is needed.

- Many MSMEs continue to face financing challenges. Large segments of the population remain financially unserved, including women entrepreneurs and those living in the shadows of the informal economy. The insurance protection gap remains significant, leaving individuals and businesses vulnerable to financial losses from natural disasters. The region's infrastructure needs continue to outpace its capacity to mobilize the needed financing.
- New developments that have emerged since the formulation of the CAP need to be taken into account. These include growing risks from natural disasters and pandemics, not only due to their increasing frequency, severity and impact on communities and businesses, but also due to our economies' growing vulnerability to such risks stemming from rapid urbanization, greater interconnectedness and extension of supply chains.
- Advances in technology, business models and products can be harnessed to improve the financial sector's ability to contribute to inclusive, resilient and sustainable growth. However, enabling their safe and effective deployment would require reforms, changes in industry practices and education. In addition, the uneven progress in their adoption must be addressed to avoid increasing the digital divide within and across economies.
- Finally, elevated public debt levels and fiscal constraints are limiting the ability of governments to support continued economic growth, at a time when financing needs to meet the growing challenges are increasing. The present situation calls for a larger role for the private sector in financing growth. However, while there is a huge reservoir of capital in the private sector, there are complex legal, policy and regulatory obstacles to their mobilization that will need to be addressed.

Responding to these challenges and opportunities will require stronger regional financial cooperation. In this context, the APEC Finance Ministers' Process will have an important role to play in providing platforms for coordinated and collective action among members and for enhanced public sector engagement with the private sector. With this in mind, ABAC convened three roundtables this year with key stakeholders from industry, government, international organizations and academia to capture diverse perspectives from across our region on their expectations for the new FMP Roadmap.

Based on these discussions (a more detailed exposition of which is contained in the attached Report):

### Recommendations:

- The new FMP Roadmap should call for more intensive efforts to fully implement key CAP initiatives. These include the initiatives to:
  - **Improve MSMEs' access to finance** through reform of legal and regulatory frameworks for secured transactions (using both tangible and intangible assets), credit information and insolvency.
  - **Promote financial inclusion** for disadvantaged segments of the economy and the informal sector through legal and regulatory reforms and financial education.
  - **Expand participation** in the Asia Region Funds Passport.
  - **Develop comprehensive approaches** to public-private partnership in enhancing resilience, including the incorporation of insurance-linked securities such as catastrophe bonds in disaster risk financing and insurance frameworks and development of public-private partnerships (PPPs) in pandemic risk insurance.
  - **Develop a regional pipeline** of bankable infrastructure PPP projects through proper risk allocation between public and private sectors, blended finance, public-private dialogues and leveraging of existing tools such as the SOURCE project preparation platform and the Global Infrastructure Hub.
  - **Enable long-term institutional investors**, including pension funds and insurers, to improve governance and risk management capacity and play a greater role in financing growth.
- The new FMP Roadmap should provide a capacity building framework for leveraging innovation in technologies, products and processes to promote inclusive, sustainable and resilient growth. Such a framework should include initiatives to:
  - **Digitalize trade finance** on an end-to-end basis across member economies, such as through standardization of trade documents and interoperability of legal frameworks governing digital documents.
  - **Promote digital payment connectivity** among member economies.
  - **Develop enabling governance**, regulatory and institutional frameworks and infrastructure for domestically and internationally interoperable open finance/open data systems based on trusted and secure sharing and use of data and supported by well-regulated third-party service providers and data and analytics industry.
  - **Develop capacity** to leverage digital technology to achieve greater effectiveness and efficiency in improving financial regulation and supervision, combating money laundering and financial crime, and promoting financial inclusion such as through deep-tier supply chain financing.
  - **Facilitate the development** of sound, consistent and interoperable legal, policy, regulatory and market ecosystems for the use of new technologies (such as AI, blockchain and quantum computing) and new products (such as tokens and digital and crypto-assets and currencies) in the financial sector.
  - **Promote collaboration** among the public and private sectors and international organizations in adopting new and innovative solutions to address barriers to large-scale capital mobilization, such as the use of currency-indexed financial instruments.
  - **Develop market-based and public-private partnership frameworks** to facilitate the financing of innovations and transition toward cleaner, more efficient and more secure energy systems.

ABAC looks forward to assisting APEC in translating the new FMP Roadmap into concrete policies, actions and capacity building initiatives, in collaboration with the Asia-Pacific Financial Forum, the Asia-Pacific Infrastructure Partnership and the Asia-Pacific Financial Inclusion Forum, which have supported member economies in implementing the CAP.

### *E. Implementation of ABAC recommendations*

We ask Finance Ministers to support ABAC's ongoing work on our Voluntary Carbon Market Pathfinder Initiative and the issuance of the benchmark WPU-indexed bond, and the implementation of our proposed reform strategy to promote intellectual property financing.

We appreciate Finance Ministers' support for the ongoing work of the Asia-Pacific Financial Forum, the Asia-Pacific Infrastructure Partnership and the Asia-Pacific Financial Inclusion Forum to assist member economies in implementing FMP and CAP deliverables, which are described in the attached 2025 Progress Report of these policy initiatives.

### **Conclusion**

It is imperative that APEC economies successfully navigate the new economic environment and its unprecedented challenges. ABAC Members share the Putrajaya Vision for our region, and continue to support free and open trade and investment as the proven pathway to growth and prosperity. The regional business community strongly supports public-private collaboration and cooperation as the best way to achieve those goals and to resist economic and financial fragmentation.

We commend the recommendations contained in this report and call on APEC Finance Ministers to work with the private sector to reinforce the global financial and trading systems, to restore an environment of cooperation, certainty and predictability, and promote strong, resilient, collaborative, inclusive and sustainable growth in the Asia-Pacific region.



# Harnessing Public-Private Collaboration to Finance Connectivity, Innovation and Prosperity in APEC

## 2025 Progress Report<sup>1</sup>

Asia-Pacific Financial Forum ● Asia-Pacific Financial Inclusion Forum ● Asia-Pacific Infrastructure Partnership

### EXECUTIVE SUMMARY

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Since the first Economic Leaders' Meeting in 1993, APEC has pursued a vision of building a new economic foundation for the region that harnesses the energy of its diverse economies, strengthens cooperation and promotes prosperity. The Finance Ministers Process (FMP), initiated in 1994, has been supporting the achievement of this vision. At their 2010 meeting in Kyoto, Japan, the Finance Ministers issued their *Kyoto Report on Growth Strategy and Finance*, which identified priorities for securing future growth. At their 2015 meeting in Cebu, Philippines, they agreed on a voluntary and non-binding ten-year roadmap, the Cebu Action Plan (CAP) that spelled out concrete initiatives and deliverables to translate these priorities in action.

More recent developments are posing new challenges, the most important of which are the challenges of fiscal sustainability, the growing financing gap for the transition toward cleaner and more efficient and secure energy systems, growing threats from natural disasters and pandemics and economic fragmentation. As the CAP draws to a close this year, the Finance Ministers are launching their next medium-term Roadmap at their meeting in Incheon, Korea – a Roadmap to be built on four pillars: innovation-driven growth, resilient and transformative finance, sustainable and efficient fiscal policy, and an inclusive future-ready economy.

An important undertaking where attention needs to be focused is the translation of Finance Ministers' Roadmaps into concrete laws, policies, regulations and capacity building and regional cooperation measures. It is on this process where this report is focused. The Asia-Pacific Financial Forum (APFF), the Asia-Pacific Financial Inclusion Forum (APFIF) and the Asia-Pacific Infrastructure Partnership (APIP) were established by the APEC Finance Ministers to serve as platforms for collaboration among the private sector, the public sector and international organizations to implement deliverables that the Ministers have endorsed. These policy initiatives are under the umbrella of the APEC Finance Ministers' Process (FMP) and the oversight of the APEC Business Advisory Council (ABAC).<sup>2</sup>

This Progress Report covers the work and achievements of these initiatives since the last APEC Finance Ministers' Meeting hosted by Peru in Lima in October 2024 until the present and provides information on planned activities until the end of 2025. It focuses on four areas: (a) sustainable finance; (b) inclusive finance; (c) financial resilience; and (d) financing sustainable infrastructure. In addition, the Report also describes efforts to intensify engagement with local stakeholders in member economies in order to increase support for activities being undertaken to help them implement

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<sup>1</sup> The full Progress Report may be accessed at <https://www2.abaconline.org/content/download/22639001>.

<sup>2</sup> Their work has covered various areas that are being progressed under the FMP.

- The APFIF, established in 2010, has provided a capacity-building platform for developing economy regulators and officials in working with the private sector to promote access to financial services of low-income populations and micro- and small enterprises. The activities of the APFIF are currently managed by the Asian Development Bank (ADB) in partnership with ABAC.
- The APIP, established in 2011, has been providing advice to officials on policy reforms and measures to develop bankable infrastructure projects that can attract private sector funding. It has contributed to key documents on infrastructure issues produced by the Finance Ministers.
- The APFF, established in 2013, has engaged with various public and private sector bodies in achieving FMP deliverables in areas ranging from data and credit information, secured transactions and insolvency regimes, trade and supply chain finance, capital markets, financial market infrastructure, disaster risk financing and insurance, development of the insurance and pensions industry and the long-term investor base, as well as health care financing.

deliverables that the Finance Ministers have identified, and the work of these policy initiatives to support the formulation of their new medium-term Roadmap. Following are some of the key achievements and activities undertaken in pursuit of progress in these four areas:

### ***Sustainable Finance***

- The APFF Sustainable Finance Development Network (SFDN) collaborated in the FMP's Sustainable Finance Initiative (SFI) workshops, supported ABAC's Voluntary Carbon Markets (VCM) Pathfinder Initiative, developed a comprehensive concept to support transition finance, and contributed to the ISSB Capacity Building Partnership Framework, the Mexican TCFD Consortium and the regional advisory committee of the Latin American Climate Assets Disclosure Framework.
- The ABAC VCM Pathfinder Initiative convened workshops with the Integrity Council for Voluntary Carbon Markets (ICVCM) and the Voluntary Carbon Markets Integrity Initiative (VCMI) for public and private sector stakeholders to encourage convergence toward international standards and practices that ensure the quality, integrity and interoperability of voluntary carbon credits. Further workshops with the World Bank and VCMI are being scheduled to promote technical assistance projects for the public sector and connection and aggregation of registry information to eliminate the risk of double counting. In addition, pilot projects were initiated to explore collaboration between carbon exchanges in facilitating cross-border carbon trading and the wider use of tokenized voluntary carbon credits.

### ***Inclusive Finance***

- The Asia-Pacific Financial Inclusion Forum (APFIF) convened the *2025 Policy Dialogue Financial Digitalization for MSMEs and Its Economic Effects* on 5 May in Jeju, Korea, and produced a summary of its results, which is a series of proposed actions for consideration by policy makers and regulators related to (a) strengthening core digital infrastructure; (b) promoting responsible use of AI in credit decisions; (c) enhancing consumer protection; (d) enabling flexible policy environments; and (e) advancing interoperable and standardized digital ID and KYC systems for onboarding and formalization. The Appendix provides further detail on the APFIF 2025 Policy Dialogue and the full set of proposed actions.
- The APFF Financial Infrastructure Development Network (FIDN) Credit Information Working Group provided technical advice to the Philippines on standards and best practices for credit reporting and regularly contributed to the work of the International Committee on Credit Reporting (ICCR) in developing standards and promoting the global exchange of knowledge and expertise on credit reporting and credit scoring.
- The APFF FIDN Data Ecosystems Working Group undertook discussions on cross-border data sharing, the interoperability of data privacy frameworks and privacy-enhancing technologies to prepare proposals for the new FMP Roadmap.
- The APFF FIDN Secured Transactions Working Group assisted the Philippines in operationalizing its 2018 Personal Property Security Act, resulting in the formal launch of the Security Registry in February 2025, and continued to monitor the progress of the Revised Warehouse Receipts Bill. The Working Group provided advice to Thailand in expanding the use of intellectual property assets as collateral; supported UNIDROIT in organizing a workshop in Hong Kong, China on adoption of the Cape Town Convention's Mining, Agriculture and Construction Machinery (MAC) Protocol; convened a symposium in Viet Nam on financial inclusion through the reform of movable asset finance rules; and contributed perspectives on the legal infrastructure supporting movables asset financing to the 2nd ABAC-ASEAN BAC-APFF Southeast Asia Conference.
- The APFF FIDN Intellectual Property Financing Working Group is collaborating with the APEC Economic Committee (EC) and the APEC Intellectual Property Rights Expert Group (IPEG) to gain support for the adoption by the EC of a work plan developed by the Working Group and proposed by ABAC in 2023 and 2024 to address the challenges to the widespread adoption of IP-backed financing.
- The APFF Digital Trade Finance Lab launched a working group to explore the practical utility of

the Legal Entity Identifier (LEI) and supported ABAC in the continued development and expansion of the Digital Trade Connect Network (DTCN), which aims to advance the end-to-end digitalization of trade finance through standardization of trade documents and alignment of legal frameworks with the UNCITRAL Model Law on Electronic Transferable Records (MLETR).

- The Digital Trade Connect Network (DTC-N) convened a virtual meeting in June to showcase progress and align regional digital trade efforts, and a roundtable discussion in July on the role and strategic benefits of banks in digital trade connectivity. Another virtual meeting is planned in September/October to discuss collaborative opportunities and technical alignment for connectivity among participating economies' central digital trade platforms.
- The APFF Financial Market Infrastructure Network (FMIN) Open Data Working Group conducted roundtables in Singapore and Tokyo, Japan to advance actionable solutions to the fragmentation of current data systems that stand in the way of interoperable open data frameworks, hosted a virtual workshop on cross-border trade enablement, and identified solutions to enable active participation of MSMEs in open data systems.
- The APFF Valuation Working Group, through the leadership of the International Valuation Standards Council (IVSC) undertook several events to promote awareness and adoption of the updated International Valuation Standards in Hong Kong, China, Indonesia and Singapore, and led discussions on the valuation aspects of IP-based financing in the virtual workshop hosted by APEC IPEG and the APFF IP Finance Working Group in April 2025. Capacity building workshops on valuation of IP assets are planned to be held in late 2025 with ADB in Manila, Philippines and under the auspices of the Vietnamese Ministry of Finance in Hanoi, Viet Nam.

### ***Financial Resilience***

- The APFF Disaster Risk Financing and Insurance Network (DRFIN) compiled the outcomes of two virtual workshops held in 2024 on catastrophe bonds and convened a virtual workshop in May 2025 on the use of risk data, risk models and how these are used for innovative climate risk insurance solutions such as parametric insurance, and participated in the work of the APEC FMP Working Group on Regional Disaster Risk Financing and Insurance (DRFI) Solutions for APEC Economies.
- The APFF Pandemic Insurance Working Group continues to follow up on the ongoing pilot project in Thailand, which is currently privately-led, to address affordability through public co-financing, as well as to explore the launch of possible pilots in the Philippines and Indonesia; and contributed a chapter on public-private partnerships in pandemic preparedness to the recently released first volume of the Handbook of Insurance to promote broader dialogue and policy engagement.
- The APFF Insurance, Health and Retirement Income Network (IHRIN) continued its outreach and dialogue with authorities, standard setters, international organizations and stakeholders to advocate for insurance regulatory and accounting regimes that can facilitate long-term investment in infrastructure, capital markets and funding innovations, and initiated work to address the growing impact of digital technologies in the insurance industry.
- The APFF Health Care Financing Working Group is collaborating with the APEC Health Working Group on four initiatives: (a) Sustainable Financing Framework for Women's Health; (b) Sustainable Financing to End the HIV Epidemic; (c) Innovative Financing for Rare Diseases; and (d) Sustainable Financing for Healthy Aging and Prevention.

### ***Financing Sustainable Infrastructure***

- The APIP is working with international organizations and investors to encourage the issuance of and investment in currency basket-indexed bonds that can significantly reduce currency risk to mobilize large-scale capital and the establishment of a bond fund that can act as swap counterparty to enable USD-chartered multilateral development banks to access this new source of global dollar funding.
- The APIP and the APFF Circular Economy Infrastructure Working Group are collaborating with the APEC Chemical Dialogue to explore financing solutions focusing on plastic recycling

technologies and regulatory frameworks.

***Outreach to Member Economy Stakeholders***

- The APFF, in collaboration with APIP and APFIF co-organized with ABAC and the ASEAN Business Advisory Council (ASEAN BAC) the 2025 APFF Southeast Asia Conference to reach out to policy makers in the region and is currently preparing the 2025 APFF China Conference.

***Support for the Formulation of the Finance Ministers' New Medium-Term Roadmap***

- The APFF, APIP and APFIF supported ABAC in convening hybrid roundtables in Washington DC, Kuala Lumpur and Tokyo to generate inputs from the business sector, relevant policy makers and regulators, multilateral institutions, international standard setting bodies, research and academia to assist in the formulation of the new FMP Roadmap.

***Conclusion***

As this Progress Report shows, these initiatives continue to provide support to economies in undertaking important reforms, especially in expanding access to finance. Individual economies as well as APEC fora are coming forward to make full use of these platforms for public-private collaboration to advance various initiatives related to digitalization, financial inclusion, sustainability, and resilience. In this context, we look forward to working with APEC Finance Ministers and other relevant authorities in seizing opportunities for undertaking concrete reforms and capacity building measures that will help our region build a better future by enabling financial services to promote sustainability, digitalization, financial inclusion and resilience.

# APPENDIX



*Financial Digitalization for MSMEs and Its Economic Effects*

Jeju, Republic of Korea  
7 May 2025

## **Proposed Actions for Policymakers and Regulators**



## INTRODUCTION

For the past 15 years, the Asia-Pacific Financial Inclusion Forum (APFIF) has served as a premier platform for advancing regional dialogue on inclusive finance across APEC member economies. It has brought together policymakers, regulators, industry leaders, and development partners to build consensus around strategies that foster inclusive economic growth. As part of the broader APEC Finance Ministers' Process, the Forum has delivered a series of actionable proposed actions on a range of themes such as digital financial services, credit infrastructure, financial literacy, consumer protection, remittances, and green financing for micro, small and medium-sized enterprises (MSMEs). These efforts directly support the APEC Putrajaya Vision 2040, particularly its emphasis on innovation, digitalization, and inclusive growth.

The 2025 Forum, held in Jeju, Republic of Korea, continued this tradition with the theme “Financial Digitalization for MSMEs and Its Economic Effects.” The theme reflects both the opportunities and challenges arising from the rapid digital transformation of financial services in the Asia-Pacific region. Digital technologies are reshaping how MSMEs access finance, through innovations such as AI-enabled credit scoring, embedded finance, e-commerce platforms, and peer-to-peer lending. These advances have the potential to significantly reduce transaction costs, increase outreach, and better tailor financial products to the needs of small businesses.

However, while the digitalization of finance brings new opportunities, it also introduces new risks. Concerns around data privacy, cybersecurity, consumer protection, and the digital divide must be addressed to ensure that the benefits of innovation are equitably distributed. Building secure, inclusive digital ecosystems, and aligning regulatory frameworks across economies, requires coordinated action. APFIF provides a dedicated platform for APEC economies to collectively explore how to foster such ecosystems, ensuring digital finance works for all, especially the underserved MSMEs.

Supporting MSME access to finance is of critical importance. MSMEs account for more than 97% of businesses in the Asia-Pacific region and employ as much as half of the private sector workforce.<sup>3</sup> They are essential engines of economic resilience, job creation, innovation, and economic inclusion. Yet MSMEs face persistent barriers to accessing finance. Currently, nearly half of MSMEs in the region are unserved or underserved by the financial sector, and the estimated credit gap stands at a staggering USD 2.5 trillion. Addressing this gap is vital for inclusive development and long-term economic stability.

Encouragingly, APEC economies have made tangible progress in advancing MSME finance. Reforms in secured transactions frameworks, improvements in credit information systems, and the formulation of national financial inclusion strategies are just a few examples of how economies are working to close the gap. These achievements are often the result of sustained regional knowledge-sharing and collaboration fostered through APFIF and related APEC initiatives.

In 2025, APFIF brought together a diverse group of stakeholders representing financial institutions, government agencies, multilateral development organizations, fintech companies, research institutions, and the private sector. This diversity of expertise enabled a rich, multi-dimensional dialogue on the ways forward. Participants shared insights on how digital tools are reshaping the MSME finance landscape, and what policies and innovations are needed to ensure these changes promote equity, resilience, and growth.<sup>4</sup>

This year's proposed actions are grounded in those discussions and reflect the shared commitment of APEC economies to leverage digitalization as a key driver for inclusive economic development.

This year's Forum was made possible through the collaboration of key partners. The Asian Development Bank, the Asian Development Bank Institute, and the APEC Business Advisory Council provided essential support in shaping the agenda and facilitating knowledge exchange. The Forum was graciously hosted by the Ministry of Economy and Finance of the Republic of Korea, whose leadership and hospitality were instrumental to the event's success.

<sup>3</sup> See APEC article on Small and Medium Enterprises: <https://www.apec.org/groups/som-steering-committee-on-economic-and-technical-cooperation/working-groups/small-and-medium-enterprises>

<sup>4</sup> Participants included Korea's Ministry of Economy and Finance, the Asian Development Bank, the Asian Development Bank Institute, Cantilan Bank, CashNote, Accion Advisory, Ant International, the Consultative Group to Assist the Poor (CGAP), the Global Legal Entity Identifier Foundation (GLEIF), the Industrial Bank of Korea, the APEC Policy Support Unit, and Sumitomo Mitsui Banking Corporation.

## PROPOSED ACTIONS FOR POLICYMAKERS AND REGULATORS

To realize the full potential of digital finance for MSMEs, policymakers and regulators must take proactive steps to shape an enabling environment. This includes strengthening core infrastructure, addressing emerging risks, and ensuring the benefits of digital innovation reach all types of MSMEs, including those operating informally or in rural areas. The following proposed actions draw on the insights and experiences shared during APFIF 2025 and outline specific policy tools and approaches that can support inclusive, responsible, and innovation-friendly financial ecosystems across the region.

### *Proposed Action 1: Embrace digital infrastructure as a public good*

Expanding inclusive digital financial services for MSMEs, especially in rural and underserved areas, requires treating foundational digital infrastructure as a public good. This includes reliable and fast internet connectivity, real-time payment systems, robust Cash-In/Cash-Out (CICO) networks, and data utilities that support inclusive onboarding, identity verification, and credit assessment. When deployed together, these components create a digital public infrastructure “stack” that enables access, reduces costs, and fosters innovation. In this context, policymakers and regulators should consider:

- Bundling investments in inclusive CICO networks, real-time payment switches, and interoperable data rails, such as offline e-KYC or account lookup, as part of a coordinated national digital public infrastructure strategy. While rural CICO access remains a critical barrier to reaching last-mile users, urban CICO networks are equally vital to ensuring widespread adoption and use of digital financial services. Strengthening CICO infrastructure across both rural and urban settings supports a seamless transition toward full digitalization, particularly for low-income users who continue to rely on cash even in urban environments.<sup>5</sup>
- Linking rural CICO expansion to smart, time-bound, and performance-based rural agent subsidies. Consider allowing shared “agent of last resort” models to reduce costs and increase viability in sparsely populated areas.
- Mandating open, risk-tiered access to core national payment switches to allow nonbanks, including rural microfinance institutions (MFIs) and credit unions, to connect directly. This avoids high intermediary costs and promotes innovation on top of the rails.
- Encouraging the development of standardized, open application programming interfaces (APIs) and shared data protocols for MSME digital footprints, such as point-of-sale (POS) activity, tax filings, e-commerce sales, or remote sensing data (i.e. satellite imagery used in agricultural credit scoring) so that such data can support cash flow-based lending without requiring traditional collateral. Governments can support this by making geospatial and other public datasets more accessible as part of their national digital infrastructure strategies.
- Taking steps to harmonize data standards across platforms, tax authorities, and banks to ensure data is accessible and interpretable across the financial ecosystem.
- Embedding user trust in infrastructure design through strong data governance, ownership and consent frameworks, and mechanisms to inform and redress data breaches or phishing incidents that disproportionately affect smaller or less digitally literate users.
- Fostering a trusted and competitive new data ecosystem for financial services by supporting new data infrastructure operators, promoting regulatory or industry-led governance frameworks, and ensuring financial institutions and consumers have the confidence, guidance, and safeguards to engage with third-party data and analytics providers beyond traditional credit reporting systems.

### *Proposed Action 2: Support responsible use of AI for MSME credit*

As financial service providers increasingly adopt artificial intelligence (AI) to enable faster, and more cost affordable MSME credit decisions, regulators must ensure these models are used responsibly. While AI can expand reach, it also carries risks, including lack of transparency in AI models, embedded bias, and challenges in auditing, that can unintentionally exclude vulnerable segments or reinforce existing disparities. To ensure AI serves the goals of inclusion, transparency, and fairness, policymakers and regulators should consider:

<sup>5</sup> More information about inclusive CICO networks can be found in the CGAP article ‘The Role of Cash In/Cash Out in Digital Financial Inclusion’ available at: <https://www.cgap.org/blog/role-of-cash-incash-out-in-digital-financial-inclusion>

- Anchoring rules for AI use in existing data protection laws rather than standalone AI legislation. While this principle applies broadly across all digital finance users, it is particularly beneficial for MSMEs, who often lack the resources to understand or dispute potentially unfair decisions made by algorithms. Open-finance regimes grounded in data protection laws can help ensure all users, especially MSMEs, have the right to contest algorithmic decisions and port their data to competing lenders.
- Requiring simplified “model nutrition labels” to enhance supervisory oversight. These disclosures should include the variables used, recency of training data, and observed error rates disaggregated by gender or firm size. This can help ensure that AI systems do not inadvertently reward one group over another.
- Establishing clear audit and accountability mechanisms to assess model fairness. While AI systems are becoming more sophisticated, and can even adjust behavior during audits, regulators can consider adaptive audit protocols and industry-wide fairness benchmarks.
- Guarding against reverse engineering of datasets or privacy breaches that may occur in the absence of strong regulatory protections. Embedding transparency, proportionality, and explainability into AI credit decision systems is essential.
- Referring to global best practices such as Singapore’s Principles to Promote Fairness, Ethics, Accountability and Transparency (FEAT Principles)<sup>6</sup> or the UK’s Financial Conduct Authority (FCA) guidance<sup>7</sup> to design local regulatory frameworks tailored to emerging markets.

### *Proposed Action 3: Strengthen consumer protection frameworks*

As MSMEs increasingly transact on digital platforms and rely on digital financial services, new types of risks are emerging, especially for micro and informal enterprises. Fraud, unclear fee structures, and inadequate consent mechanisms can erode trust and participation. While disclosure remains important, it is not sufficient. Emerging behavioral research shows that users often do not comprehend standard disclosures, especially when faced with “consent fatigue.” To enhance trust in digital finance and ensure sustained usage among MSMEs, regulators and policymakers should consider:

- Testing simplified, behaviorally-informed consent prompts (i.e. single-screen formats) in sandbox environments to reduce consent fatigue, improve understanding and reduce the burden of decision-making.
- Developing real-time risk monitoring dashboards using low-cost tools such as survey microsimulations or mystery shopping, as successfully piloted in the West African Economic and Monetary Union (WAEMU). These tools help detect early signs of fraud or abusive practices before trust is eroded.
- Requiring digital finance providers to publish sex-disaggregated complaint and fraud statistics. Evidence shows that women, especially in rural areas, face disproportionate digital risks<sup>8</sup>, and transparency can prompt corrective actions.
- Introducing structured frameworks for fraud prevention, protection, and recovery. These could include:
  - Mechanisms for users to report and receive resolution for fraudulent activity;
  - Strong authentication and identity verification protocols (e.g., e-KYC, 2FA);
  - “Positive friction” features such as fraud alerts before transfers or verification steps for high-value transactions;
  - Clear accountability guidelines for providers, particularly for service disruptions or losses due to system delays or input errors, which disproportionately impact micro-merchants.
- Supporting user education campaigns focused on common digital threats (e.g., phishing), and design user interfaces with both ease-of-use and security in mind.

<sup>6</sup> Singapore’s FEAT Principles are available here: <https://www.mas.gov.sg/~media/MAS/News%20and%20Publications/Monographs%20and%20Information%20Papers/FEAT%20Principles%20Final.pdf>

<sup>7</sup> The UK’s FCA Handbook is available here: <https://www.handbook.fca.org.uk/>

<sup>8</sup> Refer to research undertaken by CGAP available here: [https://www.cgap.org/research/reading-deck/evolution-of-nature-and-scale-of-dfs-consumer-risks-review-of-evidence?utm\\_source=chatgpt.com](https://www.cgap.org/research/reading-deck/evolution-of-nature-and-scale-of-dfs-consumer-risks-review-of-evidence?utm_source=chatgpt.com)

#### ***Proposed Action 4: Ensure flexible and adaptive financial inclusion policies***

MSMEs are highly diverse in size, sector, formality, and financial needs. “One-size-fits-all” approaches can lead to exclusion, especially for informal or women-led businesses. As digital financial ecosystems evolve, MSMEs increasingly find value in bundled offerings, such as embedded finance that combines credit, payments, and business services on digital platforms. In light of these developments, policymakers and regulators should consider:

- Segmenting MSMEs based on firm size, sector, and formality level to better understand their needs and design flexible, tiered policy responses.
- Creating space for experimentation in embedded finance models that combine financial and non-financial services. These models often involve partnerships between financial service providers (FSPs), e-commerce platforms, retailers, or farmer producer organizations.
- Ensuring that innovation environments (e.g., sandboxes or pilot zones) allow providers to test and refine contextual solutions without over-regulation.
- Incentivizing FSPs and their partners to dedicate resources to the MSME segment. This could include:
  - Mandated lending quotas or targets (e.g., India’s Priority Sector Lending framework or Indonesia’s bank corporate social responsibility (CSR) requirements);
  - Credit guarantee schemes or co-lending models to de-risk MSME lending;
  - Tax incentives or regulatory flexibility for providers testing inclusive credit models.
- Promoting fair competition among platforms. While rapid customer acquisition through deep discounts is common, such practices can harm MSMEs in the long term and distort market incentives. Policymakers should enforce competition law principles to prevent abuse of dominance and ensure MSMEs retain pricing choice and provider flexibility. Examples such as India’s increased regulatory scrutiny of large e-commerce platforms or the European Union’s Digital Markets Act illustrate government efforts to reduce platform dominance which can disadvantage smaller enterprises.
- Encouraging pricing transparency across platforms and assess the long-term sustainability of platform-driven financing models to avoid “lock-in” effects for MSMEs.

#### ***Proposed Action 5: Promote interoperable, standardized digital ID and KYC systems***

While digital ID systems are essential to formalizing MSMEs and enabling access to financial services, identity alone is not enough. Onboarding MSMEs also requires verification of address, business activity, or tax records. A more comprehensive approach, linking ID systems with verified registries and embedding privacy safeguards, is needed to ensure that ID systems are both inclusive and trusted. To build robust and inclusive ID-enabled ecosystems, policymakers and regulators should consider:

- Adopting an “ID-plus” approach that links national ID APIs with relevant databases (e.g., tax, business registration) to facilitate seamless and secure onboarding of MSMEs.
- Mandating open, low-cost ID and e-KYC verification APIs. India’s Aadhaar-enabled e-KYC system demonstrates how pricing verification at cost-recovery levels can reduce onboarding costs by over 90%.
- Embedding privacy-by-design principles in ID systems. For example, allow only necessary data to be shared through tokenized queries (e.g., age yes/no instead of full date of birth) to limit data misuse.
- Adopting Financial Action Task Force (FATF)-aligned, tiered KYC frameworks. These frameworks allow informal and nano enterprises to access entry-level financial services while creating pathways to higher tiers of formal financial participation as they grow.
- Encouraging interoperability between ID and financial systems so that MSMEs can use a single set of credentials across multiple providers. This reduces friction, supports competition, and enhances user control.
- Engaging with the private sector and civil society to monitor adoption, address risks of exclusion, and continually refine the system to reflect user needs and trust concerns.



## **ASIA-PACIFIC PUBLIC-PRIVATE FINANCIAL COOPERATION: SETTING MEDIUM-TERM PRIORITIES RECOMMENDATIONS ON THE NEW FINANCE MINISTERS' PROCESS ROADMAP**

This year, the APEC Finance Ministers are launching a new Roadmap covering a 5-year time frame to succeed the 2015-2025 Cebu Action Plan (CAP). To assist in this process, ABAC convened three roundtable discussions, capturing diverse perspectives from across the region. These discussions were held in Washington D.C., Kuala Lumpur and Tokyo [*See Appendix*]. The roundtables drew participants from the wide network of industry, multilateral, public sector and academic experts in the Asia-Pacific Financial Forum (APFF), the Asia-Pacific Financial Inclusion Forum (APFIF) and the Asia-Pacific Infrastructure Partnership (APIP). This report encapsulates the insights and recommendations from these discussions.

### **The Cebu Action Plan's Achievements and Unfinished Business**

The CAP outlined Finance Ministers' initiatives in a number of areas – financial integration, fiscal reforms, financial resilience and infrastructure financing, including financing for micro-, small and medium enterprises (MSMEs) and the development of capital markets and financial market infrastructure. With the Finance Ministers' Process (FMP) providing a strong platform for collaboration among the public and private sectors and multilateral institutions, significant and concrete achievements were made in implementing the initiatives and deliverables of the CAP.

These include progress made in several economies on legal, regulatory and institutional reforms in credit information, secured transactions and insolvency systems and the introduction of innovative financial instruments that improved access to finance by MSMEs, dissemination of best practices that resulted in greater financial inclusion, the launch of the Asia Region Funds Passport, development of roadmaps for the development of microinsurance and financial market infrastructure, improvements that increased liquidity in capital markets, improved resilience against natural catastrophes and increased private participation in infrastructure projects.

Nevertheless, there remain areas where further progress is needed. Many MSMEs continue to face financing challenges. For example, the global trade finance gap widened from USD1.7 trillion in 2020 to USD2.5 trillion in 2022 (ADB trade finance gap survey). Significant population segments remain financially underserved, including women entrepreneurs and those living in the shadows of the informal economy. The insurance protection gap (the gap between insured and uninsured economic losses) remains large, leaving individuals and businesses vulnerable to financial losses from natural disasters. The growth of the region's infrastructure needs continues to outpace economies' capacity to mobilize the needed financing.

The new FMP Roadmap will need to take into account the new developments that have emerged since the formulation of the CAP. These include the growing risks from the increasing frequency, severity and impact of natural disasters and epidemics on communities and businesses. While partly due to the onset of extreme weather patterns and rising sea levels, they are also due to rapid urbanization, increasing concentrations of populations and businesses and their impact on the environment, greater interconnectedness and mobility, and the extension of supply chains, that have all increased the region's economic vulnerability.

Advances in technology, business models and products can be harnessed to improve the financial sector's ability to contribute to inclusive, resilient and sustainable growth. However, innovation and digitization also pose risks to consumers, including the acceleration of fraud and data misuse, lack of regulatory and supervisory capacity and bandwidth, diverse and complex regulatory landscapes, technology related risks, low digital and financial literacy, emergence of new types of providers beyond the regulatory perimeter and fragmented accountability and modularization of financial services. Enabling their safe and effective deployment would require reforms, changes in industry practices and education. In addition, the uneven progress in their adoption must be addressed to avoid increasing the digital divide within and across economies.

Finally, elevated public debt levels and fiscal constraints are limiting the ability of governments to continue supporting businesses and households in recovery from crises and disasters and to ensure continued economic

growth, at a time when the needs for financing to meet the growing challenges are increasing. The present situation calls for a larger role for the private sector in financing growth and resilience. However, while there is a huge reservoir of capital in the private sector, there are complex legal, policy and regulatory obstacles to their mobilization that will need to be addressed.

Responding to these challenges and opportunities will require stronger regional financial cooperation and public-private collaboration. Based on these considerations, ABAC recommends the following:

- The new FMP Roadmap should call for ***more intensive efforts to fully implement key CAP initiatives***. These include improving MSMEs' access to finance, promoting financial inclusion; expanding participation in the Asia Region Funds Passport; enhancing resilience; promoting bankable infrastructure PPP projects; and enabling long-term institutional investors to play a greater role in financing growth.
- The new FMP Roadmap should provide a framework for ***leveraging innovation in technologies, products and processes to promote inclusive, sustainable and resilient growth***. It should include initiatives to digitalize trade finance and payments; develop interoperable open finance/open data systems; leverage digital technology in improving financial regulation and supervision, combating financial crime, and promoting financial inclusion; develop enabling ecosystems for new technologies and products in the financial sector; adopt innovative solutions to promote large-scale capital mobilization; and facilitate the financing of cleaner, more efficient and more secure energy systems.

## Proposed Initiatives and Deliverables

### I. Pursuing Innovation-Driven Growth

#### A. *Promoting adoption and diffusion of technologies to enhance competition and productivity*

Initiatives	Objectives	Deliverables
Develop interoperable Open Data/Open Finance ecosystems	1) Enable lenders to make informed, data-driven decisions by facilitating secure transfer of financial information between entities  (2) Enable users to retain control over their data while allowing them to seamlessly share it with authorized parties  (3) Expand financial inclusion and access to financial services for MSMEs.	Undertake capacity building activities in collaboration with MDBs, OECD and the APFF Financial Market Infrastructure Network to help economies in identifying challenges and solutions to: <ul style="list-style-type: none"> <li>(a) domestic and international interoperability of open data/open finance systems;</li> <li>(b) trusted and secure sharing and usage of data in financial transactions (including wider use of privacy enhancing technologies);</li> <li>(c) development of an enabling governance and regulatory framework for open data/open finance, including consumer and data protection frameworks;</li> <li>(d) building the foundational infrastructure, including digital ID platforms; and</li> <li>(e) fostering a customer-centric open data/open finance system and an efficient and competitive market environment.</li> </ul>
Develop the data ecosystem for digital finance	Enable the development of a robust, well-regulated and well-governed ecosystem for financial institutions' partnerships with	Undertake capacity building activities in collaboration with the World Bank Group and the APFF Financial Infrastructure Development Network to:

	third party service providers from the fast-growing non-CRSP (credit reporting service providers) data and analytics industry	<ul style="list-style-type: none"> <li>(a) foster financial institutions' confidence in interactions with third party data and analytics service providers;</li> <li>(b) promote development of the data and analytics industry through regulatory or industry association rules, guidelines and permissions;</li> <li>(c) develop the data infrastructure (including governance arrangements and data bases);</li> <li>(d) promote good personal data governance in financial institutions; and</li> <li>(e) promote education and confidence of digital financial consumers.</li> </ul>
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***B. Ensuring regulatory settings for new and emerging technologies to find the right balance between fostering innovation, protecting users and lifting living standards.***

Initiatives	Objectives	Deliverables
Modernize regulatory frameworks for the financial sector	Enable regulatory systems to meet the challenges arising from technological change in financial products, practices, competition and infrastructure.	<p>Undertake capacity building activities to help regulators, policy makers and standard setters:</p> <ul style="list-style-type: none"> <li>(a) understand the technological transformation of financial products and services;</li> <li>(b) adopt more advanced technologies such as AI and quantum computing in fulfilling their responsibilities; and</li> <li>(c) develop legal, regulatory and institutional frameworks for new products such as tokenized assets and stablecoins that enable consumers and enterprises to benefit from their adoption while addressing consumer protection, cybersecurity, financial integrity and other regulatory concerns.</li> </ul>
Develop capacity to combat fraud in digital finance	<p>Protect consumers from fraud in digital finance ecosystems through:</p> <ul style="list-style-type: none"> <li>(1) more efficient detection and coordinated responses toward money mules and illicit activity; and</li> <li>(2) better collective intelligence capabilities of participants and law enforcement to disrupt criminal actors and networks.</li> </ul>	<p>Undertake capacity building activities for central banks and financial supervisors, law enforcement authorities and financial institutions to:</p> <ul style="list-style-type: none"> <li>(a) develop capabilities to recover funds;</li> <li>(b) identify money mules or scam accounts and share the information with financial institutions;</li> <li>(c) develop frameworks for cross-agency and cross-border collaboration; and</li> <li>(d) enhance predictive modelling through systematic and automated collection</li> </ul>

		of fraud data enabling AI models for transaction and account scoring to perform better.
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***C. Creating a conducive atmosphere for capital intensity and private capital investment in emerging sectors***

Initiatives	Objectives	Deliverables
Unlocking large-scale private capital to finance infrastructure and growth	<ol style="list-style-type: none"> <li>(1) Increase the flow of household savings into productive investment</li> <li>(2) Attract private market capital from large institutional asset owners such as pension and retirement funds</li> <li>(3) Address foreign currency risk, a major obstacle to infrastructure financing and a major source of risk for investors in projects in developing economies</li> </ol>	<p>Undertake capacity building and collaboration in the following areas:</p> <ol style="list-style-type: none"> <li>(a) reform of the asset management sector and asset ownership and policies to promote corporate governance;</li> <li>(b) improving the efficiency of the investment chain and ecosystem through measures enabling the expanded role of growth capitalists such as emerging managers partnering with pension funds;</li> <li>(c) promoting the growth of local asset management talent and expertise; and</li> <li>(d) collaboration of MDBs (ADB, CAF and WB) with institutional investors, interested member economies and the Asia-Pacific Infrastructure Partnership (APIP) to create a new financial instrument indexed to a currency basket specifically designed to minimize the impact of currency volatility that can attract large-scale capital for investment in infrastructure projects in developing economies.</li> </ol>

**II. Enabling Resilient and Transformative Finance**

***A. Disaster risk financing and insurance***

Initiatives	Objectives	Deliverables
Expand the private sector's contribution to DRFI	<ol style="list-style-type: none"> <li>(1) Harness PPPs to enhance insurance penetration and develop innovative solutions</li> <li>(2) Increase the role of capital markets in protecting against natural disasters</li> <li>(3) Reduce burdens on fiscal budgets through improved insurance penetration and risk reduction</li> </ol>	<p>Undertake capacity building workshops in collaboration with the APFF DRFI Network under the Working Group on Regional Disaster Risk Financing and Insurance Solutions for APEC Economies (DRFI-WG) to assist member economies in the following areas:</p> <ol style="list-style-type: none"> <li>(a) developing integrated and holistic solutions to risk reduction, increased insurance penetration and residual sovereign risk financing supported by implementation strategies for appropriate governance, KPIs and</li> </ol>

		<p>mandates;</p> <p>(b) expanding the contribution of insurance-linked securities (ILIs), such as through catastrophe bonds to protect against high-impact low-frequency events as part of DRFI frameworks;</p> <p>(c) incentivizing risk reduction to improve affordability and availability and increase insurability; and</p> <p>(d) leveraging regional and public-private collaboration to assist in identifying and quantifying risks and more affordable solutions.</p>
Close the protection gap for pandemic risk	<p>Enable the private sector to play a larger role in closing the protection gap through addressing the challenges of:</p> <p>(1) accumulation (magnitude of potential economic loss larger than insurance balance sheets) by bringing in capacity from different public and private sources; and</p> <p>(2) affordability (due to high expected loss) by combining different financial instruments (insurance and contingent lending)</p>	<p>Undertake collaboration with risk carriers (insurers, reinsurers), finance ministries and treasuries, development banks, insurance supervisor and other relevant agencies in collaboration with the APFF Pandemic Insurance Working Group to implement scalable pandemic risk solutions, such as the Epidemic Risk Markets Platform.</p>

***B. Facilitating public-private partnership / Infrastructure development / Quality infrastructure***

Initiatives	Objectives	Deliverables
Expand private financing of infrastructure	<p>(1) Develop stable regulatory regimes and well-defined targets and actions supportive of private sector investment, especially in innovative projects</p> <p>(2) Promote adoption of risk allocation and risk management strategies that enable higher predictability of revenue</p> <p>(3) Expand funding sources through collaborative investment-related mechanisms, including commercial capital, PPPs, philanthropic and concessional capital and loan guarantees and insurance</p>	<p>Undertake capacity building in the following areas:</p> <p>(a) whole-of-society approaches to risk allocation and management sustained by long-term government leadership;</p> <p>(b) better revenue protection (e.g., through improvement of current contract for difference/CFD models, better regulatory and policy clarity around corporate power purchase agreements, greater transparency on investment risks);</p> <p>(c) enhanced collaboration among MDBs, private sector and governments (e.g., scaling blended finance through financial vehicles that pool resources and standardized investment structures, innovations such as the</p>

	(4) Scale up financing through standardization of documents, use of existing tools and technology solutions and international collaboration.	World Bank's Outcome Bonds and CAF's Hybrid Capital); and (d) scaling up private investment through standardization of documentation, wider use of existing tools such as the SOURCE project preparation platform, and regional collaboration, including collective prioritization of regional infrastructure projects that will need high upfront capex investment.
Develop market mechanisms for financing transition to cleaner, more efficient and more secure energy systems	(1) Increase domestic and cross-border bank and institutional investor financing for transition in the power and industry sectors toward cleaner, more efficient and more secure energy systems (2) Facilitate the use of voluntary carbon markets (VCMs) to assist developing economies in accelerating energy transition and innovation.	Undertake capacity building with the support of international institution and the APFF Sustainable Finance Development Network in the following areas:  (a) development of transition finance guidelines for each economy to finance transition projects through bonds and loans, including appropriate consideration of recognized international standards and guidelines (e.g., ICMA transition handbook, Climate Finance Asia's Facility-level Just Transition Guidelines for Banks); (b) development of long-term sector-specific transition financing roadmaps (including those based on taxonomies) appropriate for each economy for increasing energy security and efficiency, including the evolution of the energy mix toward cleaner energy sources; (c) enhancing data collection and quality; (d) regional coordination of the development of sectoral roadmaps and disclosure requirements across economies to facilitate cross-border financing; and (e) developing interoperable VCMs through convergence toward common integrity standards and practices, support for creation of enabling policy and regulatory ecosystems, connection and aggregation of registry information to prevent double counting, establishment of linkages among carbon exchanges and exploring the use of tokenized voluntary carbon credits.

***C. Enabling Regulatory Frameworks and Financial Cooperation for Business Access to Finance  
- Improving MSME access to finance by strengthening regulatory frameworks, diversifying  
funding channels, and fostering trust among financial stakeholders***

Initiatives	Objectives	Deliverables
Develop and deepen the movables asset financing market	<ul style="list-style-type: none"> <li>(1) Support secured transactions reforms in economies where they are still needed</li> <li>(2) Support the development of the movables financing market where reasonable legal and collateral registry frameworks have recently been introduced</li> <li>(3) Support the deepening of existing markets where legal and regulatory foundations and market growth are well in place</li> <li>(4) Increase the number of non-deposit-taking lenders for a more diverse and inclusive financial services sector</li> </ul>	<p>Undertake capacity building efforts in collaboration with MDBs, UNCITRAL, UNIDROIT and the APFF Financial Infrastructure Development Network to promote legal, regulatory and institutional reforms enabling:</p> <ul style="list-style-type: none"> <li>(a) the wider use of tangible and intangible movable assets as collateral (accounts receivables, inventory, title documents and commercial papers, intellectual property, equipment and company shares and financial assets);</li> <li>(b) the use of a wider range of new types of receivables, including those incorporated into a digital asset or denominated in crypto currencies or central bank digital currencies;</li> <li>(c) the development of business areas (supply chain finance, financial leasing, merchant finance, warehouse finance, agriculture finance, infrastructure finance and debt instruments secured by accounts receivables); and</li> <li>(d) the wider use of a variety of credit methodologies (e.g., financial statement lending, bulk finance and asset-based lending).</li> </ul> <p>Undertake capacity building activities, pilot projects and regulatory sandboxes in collaboration with MDBs, UNIDROIT, UNCITRAL, the APFF Financial Infrastructure Development Network, WIPO and relevant APEC fora (the Economic Committee and Intellectual Property Rights Expert Group) to address challenges to the wider use of intellectual property financing, particularly through:</p> <ul style="list-style-type: none"> <li>(a) reforms to mitigate risks related to difficulties in determining prior art for registered IPRs (e.g., patents and trademarks) and unregistered IPRs (trade secrets) and their invention priority dates and to protect trade secrets; and</li> <li>(b) reforms to address inconsistencies and conflicts among IP laws, secured</li> </ul>

		transactions law and financial regulations that create ambiguity and hinder the use of IPR-based financial products.
Modernize traditional credit reporting systems	<ul style="list-style-type: none"> <li>(1) Enable credit bureaus to use a wider range of data to facilitate risk-based lending to MSMEs</li> <li>(2) Enable lenders to make decisions based on more robust data indicating ability of borrowers to repay loans</li> <li>(3) Enable individuals and enterprises who do not have sufficient previous formal financial transactions to access financing using alternative data</li> </ul>	Undertake capacity building activities to assist member economies in designing legal, policy and regulatory reforms to enable full-file and comprehensive credit reporting (use of structured alternative data such as utilities, mobile and rent payments), the use of big data, connecting credit bureaus to lenders through open data systems and the wider adoption of new technologies including AI and machine learning in the credit reporting industry.

#### ***D. Improving the efficiency and competitiveness of capital markets***

<b>Initiatives</b>	<b>Objectives</b>	<b>Deliverables</b>
Create modern and interoperable financial market infrastructure	<ul style="list-style-type: none"> <li>(1) Secure and efficient settlement</li> <li>(2) Seamless foreign exchange clearing</li> <li>(3) Interoperable data, payment and settlement systems</li> <li>(4) Secure financial systems</li> <li>(5) Combating financial crime</li> <li>(6) Programmable compliance</li> </ul>	<p>Central banks and private sector to collaborate with BIS Innovation Hub and the APFF Financial Market Infrastructure Network to leverage on learnings from projects:</p> <ul style="list-style-type: none"> <li>(a) Project Mariana (automated market-makers or AMMs);</li> <li>(b) Project Aperta (cross-border data portability);</li> <li>(c) Project Nexus (interlinking instant payment systems);</li> <li>(d) Project Meridian (synchronized settlement of FX transactions);</li> <li>(e) Project Raven (assessing cyber security and resilience);</li> <li>(f) Project Polaris (secure and resilient CBDC systems);</li> <li>(g) Project Aurora (fighting money laundering and financial crime leveraging data, technology and collaboration);</li> <li>(h) Project Hertha (transaction monitoring within electronic payment systems);</li> <li>(i) Project Mandala (automated cross-border compliance checks through privacy preserving technologies);</li> <li>(j) Project Agora (tokenizing the correspondent banking system); and</li> <li>(k) Project Rialto (tokenized FX for retail cross-border instant payment)</li> </ul>

		systems).
Facilitate seamless cross-border issuance in equity markets	Promote cross-border investment in IPOs	Leverage existing efforts in ASEAN to develop a common IPO prospectus to discover policy and regulatory challenges to cross-border investment in IPOs
Promote a high-quality regional market for investment funds	<ol style="list-style-type: none"> <li>(1) Expand membership in the Asia Region Funds Passport (ARFP)</li> <li>(2) Increase the number of passported funds</li> </ol>	Undertake regional dialogues between ARFP participating regulators and the private sector to identify improvements in the scheme that can help expand membership and stimulate new registration applications from local prospective passport funds and entry applications from foreign passport funds.

### III. Creating a Future-Ready and Inclusive Economy

#### A. *Promoting financial inclusion and inclusive economic opportunities*

Initiatives	Objectives	Deliverables
Enable innovations to promote MSMEs' access to finance	<p>Narrow down the huge credit gap facing MSMEs (USD5.7 trillion finance gap worldwide, and USD3 trillion in East Asia and the Pacific) through:</p> <ol style="list-style-type: none"> <li>(1) digitization of MSMEs;</li> <li>(2) promoting digital transformation of incumbent financial service providers and entry of new innovative market players that can harness AI, big data analytics, machine learning and APIs to leverage MSMEs' digital data trails (through their transactions and use of digital wallets, mobile money, e-commerce, payment gateways and digital invoices, among others) to create innovative digital finance models (e.g., data driven lending, peer-to-peer lending, embedded finance and digital banking);</li> <li>(3) facilitating embedded finance (integration of financial products or services into real sector business models and operations, such as short-term unsecured loans in retail, hire-purchase agreements in equipment reselling and travel insurance in online</li> </ol>	<p>Leverage the Asia-Pacific Financial Inclusion Forum (APFIF) as a platform for sharing of experiences and information from within and outside the region with member economy regulators and policy makers in the following areas:</p> <ol style="list-style-type: none"> <li>(a) reducing barriers and improving safety;</li> <li>(b) empowering users;</li> <li>(c) protecting consumers and building trust; and</li> <li>(d) greater harmonization and coordination of cross-border regulatory approaches.</li> </ol>

	flight booking systems); and (4) expanding access to finance of enterprises in the informal sector.	
Enable Deep-Tier Supply Chain Finance (DTSCF)	<p>(1) Unlock capital for the deeper-tier MSME suppliers (typically small and microenterprises)</p> <p>(2) Enable data flows and traceability</p> <p>(3) Address and track sustainability and ESG performance and linking behaviors to financing incentives</p>	<p>Conduct capacity building activities in collaboration with ADB, APFIF and APFF Financial Infrastructure Development Network to enable regulators to allow the use of anchor corporate buyers' credit risk and accepted first-tier suppliers' invoices through a DTSCF platform to finance lower-tier suppliers by addressing the following issues:</p> <p>(a) AML/KYC requirements (full KYC requirements limited to the buyer and light KYC requirements applied to the suppliers);</p> <p>(b) laws and regulations (adoption of MLETR or MLETR equivalent legislation; addressing conflicts of laws; support DTSCF structure from a foreign exchange control perspective); and</p> <p>(c) technology (adoption of MLETR standards of reliability).</p>

### ***B. Enhancing digital connectivity***

<b>Initiatives</b>	<b>Objectives</b>	<b>Deliverables</b>
Promote end-to-end digitalization of trade and supply chain finance	Facilitate the use of technology to digitize trade and supply chain finance on an end-to-end basis to lower costs, speed up processing of trade documents and expand MSMEs' access to working capital.	<p>Collaborate with ADB, IADB, the International Chamber of Commerce (ICC) Digital Standards Initiative, UNCITRAL, BAFT and the APFF Digital Trade Finance Lab to:</p> <p>(a) deliver harmonization models for key trade documents (e.g., invoices, purchase orders) to enable cost-effective, low-risk and scalable data sharing in the ecosystem;</p> <p>(b) review existing trust frameworks and develop guidance on how to promote their interoperability to efficiently enable connectivity;</p> <p>(c) promote the development of the data and digital infrastructure (e.g., registry data, KYC information, digital ID an interoperable unique business identification numbers across business registries such as the Legal Entity Identifier); and</p>

		(d) promote capacity building for establishment of the legal infrastructure (through adoption of the UNCITRAL Model Law on Electronic Transferable Records – MLETR and enabling laws for receivables finance and supply chain finance).
Facilitate digital cross-border payments	<ul style="list-style-type: none"> <li>(1) Enhance accessibility and convenience (use of mobile and internet applications with minimal data input to replace submission of paper forms at a branch or multi-step internet banking processes)</li> <li>(2) Lower costs (reducing fees and FX markups)</li> <li>(3) Speed up transactions (from up to 3 days to seconds or minutes)</li> </ul>	<p>Promote readiness of consumers and enterprises for cashless payments through interoperable QR code payment systems, leveraging the ongoing work to connect Southeast Asian member economies to expand to other APEC economies. (Ongoing work within ASEAN focuses on connecting Indonesia's QRIS (Quick Response Code Indonesian Standard), Malaysia's DuitNow QR, the Philippines' QR PH, Singapore's SGQR, Thailand's PromptPay-based standard QR and Viet Nam's VietQR)</p>

## APPENDIX: AGENDA OF ROUNDTABLE DISCUSSIONS

ABAC-ILI-APFF-APIP HYBRID FINANCE ROUNDTABLE

### ASIA-PACIFIC PUBLIC-PRIVATE FINANCIAL COOPERATION

#### New Medium-Term Priorities for APEC

*Co-organized by*

APEC Business Advisory Council (ABAC)

International Law Institute (ILI)

Asia-Pacific Financial Forum (APFF)

Asia-Pacific Infrastructure Partnership (APIP)

28 April 2025, 09:00-17:00 EST

International Law Institute, 1055 Thomas Jefferson St. NW, Suite M-100

Washington DC 20007, USA

*\*Participating virtually*

09:00-09:30	<b>OPENING SESSION</b>  <b>Welcome Remarks</b> <b>Professor Don Wallace</b> , Chairman of the Board, International Law Institute (ILI)  <b>Opening Remarks</b> <b>Ms. Monica Hardy Whaley</b> , Alternate Member, ABAC USA; and President, National Center for APEC (NCAPEC)  <b>Introduction to the Roundtable</b> <b>Mr. Mitsuhiro Furusawa</b> , Member, ABAC Japan; Co-Chair, Asia-Pacific Financial Forum (APFF) and Advisory Group on APEC Financial System Capacity Building; and President, Institute for Global Financial Affairs, Sumitomo Mitsui Banking Corporation (SMBC)  <b>Evolving Priorities – Implications for the New FMP Roadmap</b> <b>Mr. Victor Tineo</b> , Deputy Director, South and Southeast Asia Office, United States Department of the Treasury
09:30-10:30	<b>SESSION ONE (Panel Discussion): THE CEBU ACTION PLAN’S UNFINISHED BUSINESS – IMPLICATIONS FOR THE NEW FMP ROADMAP</b>  <b>Moderator: Dr. Matthew Gamser</b> , Founder, SME Finance Forum; former Chief Operations Officer, International Finance Corporation (IFC); and Member, Industry Council, Centre for Finance, Technology and Entrepreneurship  <b>Trade Finance</b> <b>Mr. Tod Burwell</b> , President and Chief Executive Officer, BAFT (Bankers’ Association for Finance and Trade)  <b>Credit Information</b> <b>Mr. Patrick Walker</b> , Co-Sherpa, APFF Credit Information Working Group; Director of Research, Policy and Economic Research Council (PERC); and Co-Founder and President, Verify4  <b>SME Finance</b> <b>Mr. Qamar Saleem</b> , Global Head, SME Finance Forum  <b>Data-Driven Financial Services</b> <b>Mr. Eric Duflos</b> , Senior Financial Sector Specialist and Consumer Protection Lead, CGAP
10:30-10:45	<b>Break</b>
10:45-12:00	<b>SESSION TWO (Panel Discussion): EMERGING INNOVATIVE APPROACHES TO MOBILIZING PRIVATE CAPITAL</b>  <b>Moderator: Dr. Robert Dohner</b> , Senior Advisor, Mountain Pacific Group

### Currency Basket-Indexed Securities

**Ms. Jolanta Wysocka**, CEO, Mountain Pacific Group

### Digital Project Preparation Tools for Infrastructure Finance

**Mr. Cédric Van Riel**, Head of Business Development, Sustainable Infrastructure Foundation (SIF)

### Innovative Financial Solutions for Addressing Environmental Challenges

**Ms. Naomi Cooney**, Senior Financial Officer, Capital Markets and Investments Department, The World Bank Treasury

### Latin America's Evolving Development Priorities and the Role of Regional Cooperation in Private Capital and Knowledge Mobilization

**Mr. Manuel Valdez**, Head of Funding and Derivatives, Development Bank of Latin America and the Caribbean (CAF)\*

12:00-14:00

### LUNCH BREAK

14:00-15:30

### SESSION THREE: (Panel Discussion): EMERGING TECHNOLOGIES AND FINANCIAL SERVICES

**Moderator: Mr. Bob Trojan**, Sherpa, APFF Data Ecosystem Working Group; Senior Advisor, International Law Institute (ILI); and President and CEO, Token Insights

### Enabling Legal Frameworks for Receivables Finance

**Dr. Marek Dubovec**, Director of Law Reform Programs, International Law Institute (ILI)\*

### Impact of AI, Digital Assets and Frontier Technologies on Finance and Financial Regulation

**Ms. Jessica Renier**, Managing Director, Digital Finance, Institute of International Finance (IIF)

### The Digital Transformation of Insurance

**Mr. Makoto Okubo**, Sherpa, APFF Insurance, Health and Retirement Income Network; and General Manager, International Affairs, Nippon Life Insurance Company

### The Financial Services Data Ecosystem and the Impact of Privacy Enhancing Technologies

**Mr. Christian Reimsbach Kounatze**, Senior Information Economist and Policy Analyst, Data Flows, Governance and Privacy Division, Organisation for Economic Cooperation and Development (OECD)\*

### Countering Fraud in Digital Finance

**Dr. Kimmo Soramäki**, Founder and CEO, FNA

### Consumer Protection and Regulatory Engagement

**Ms. Jo Ann Barefoot**, CEO & Co-Founder, Alliance for Innovative Regulation (AIR)

15:30-15:45

### Break

15:45-16:55

### SESSION FOUR: EMERGING INNOVATIONS - IMPLICATIONS FOR THE NEW FMP ROADMAP

**Moderator: Dr. Julius Caesar Parreñas**, Coordinator, Asia-Pacific Financial Forum (APFF) and Asia-Pacific Infrastructure Partnership (APIP); and Managing Director, Sumitomo Mitsui Banking Corporation (SMBC)

**Dr. Marek Dubovec**, Director of Law Reform Programs, International Law Institute (ILI)\*

**Dr. Matthew Gamser**, Founder, SME Finance Forum; former Chief Operations Officer, International Finance Corporation (IFC); and Member, Industry Council, Centre for Finance, Technology and Entrepreneurship

**Dr. Robert Dohner**, Senior Advisor, Mountain Pacific Group

**Mr. Bob Trojan**, Sherpa, APFF Data Ecosystem Working Group; Senior Advisor, International Law Institute (ILI); and President and CEO, Token Insights

**Mr. Gordon Myers**, Senior Adviser, Sustainable Technology, Valoris Stewardship Catalysis (VSC); and Head, Responsible Technology Initiative, International Senior Lawyers Project (ISLP)

**Mr. Richard Robinson**, Chief Strategist, Open Data and Standards, Bloomberg LP

16:55-17:00

## **CLOSING SESSION**

### **Closing Remarks**

**Mr. Mitsuhiro Furusawa**, Member, ABAC Japan; Co-Chair, Asia-Pacific Financial Forum (APFF) and Advisory Group on APEC Financial System Capacity Building; and President, Institute for Global Financial Affairs, Sumitomo Mitsui Banking Corporation (SMBC)

***Master of Ceremonies:** Mr. Bob Trojan, Sherpa, APFF Data Ecosystem Working Group; Senior Advisor, International Law Institute (ILI); and President and CEO, Token Insights*

ABAC-ASEAN BAC-APFF 2025 Southeast Asia Conference

## **FINANCING SOUTHEAST ASIA'S DEVELOPMENT PRIORITIES: Identifying Medium-Term Deliverables for Public-Private Collaboration**

*Co-organized by*

APEC Business Advisory Council (ABAC)  
ASEAN Business Advisory Council (ASEAN BAC)  
Asia-Pacific Financial Forum (APFF)

*In collaboration with*

Asia-Pacific Financial Inclusion Forum (APFIF)  
Asia-Pacific Infrastructure Partnership (APIP)

*Hosted by*

ASEAN Business Advisory Council (ASEAN BAC)

11 June 2025, 09:00-17:30 MST

Level 1 Executive Forum, AICB Centre of Excellence,  
10 Jalan Dato Onn, Kuala Lumpur, 50480 Wilayah Persekutuan, Kuala Lumpur, Malaysia

*\*Participating virtually*

09:00-09:30

## **OPENING SESSION**

### **Welcome Remarks**

**Tan Sri Nazir Razak**, Chairman, ASEAN Business Advisory Council (ASEAN-BAC); and Founding Partner, Ikhlas Capital

### **Opening Remarks**

**Mr. Kobsak Duangdee**, Co-Chair, Asia-Pacific Financial Forum (APFF); Member, ABAC Thailand; and Secretary General, Thai Bankers' Association

### **Introductory Remarks**

**Mr. Mitsuhiro Furusawa**, Member, ABAC Japan; Co-Chair, Asia-Pacific Financial Forum (APFF) and Advisory Group on APEC Financial System Capacity Building; and President, Institute for Global Financial Affairs, Sumitomo Mitsui Banking Corporation (SMBC)

### **Keynote Address**

**Her Excellency Madame Lim Hui Ying**, Deputy Minister of Finance, Malaysia

09:30-10:40

## **SESSION ONE (Panel Discussion): ACCELERATING SOUTHEAST ASIAN CAPITAL MARKET DEVELOPMENT AND INTEGRATION**

**Moderator:** **Mr. Shahril Hamdan**, Head of Southeast Asia and Managing Director, GP Bullhound

### **Facilitating Wider Cross-Border Private Capital Flows across Southeast Asia**

**Mr. Ng Khailee**, Managing Partner, 500 Global

**Promoting the Expansion of Venture Capital and Private Equity Funds in Southeast Asian Capital Markets**

**Ms. Melisa Irene**, Partner, East Ventures\*

**Facilitating Seamless Cross-Border Issuances: The ASEAN IPO Prospectus Project**

**Ms. Nor Masliza Sulaiman**, CEO, CIMB Investment Bank Berhad, Regional Head, Investment Banking

10:40-10:55 **Break**

10:55-12:15 **SESSION TWO (Panel Discussion): ACCELERATING SOUTHEAST ASIA'S FINANCIAL DIGITALIZATION AND MODERNIZATION**

**Moderator: Ms. Tamara Singh**, Co-Sherpa, APFF Sustainable Finance Development Network (SFDN); and Managing Director, The Nature Conservancy

**Finance in the Digital Age: SupTech, RegTech and Next Generation Market Infrastructure**

**Ms. Maha El Dimachki**, Centre Head, Bank for International Settlements (BIS) Innovation Hub - Singapore Centre\*

**Building Digital Payment Connectivity in ASEAN and the Asia-Pacific: Future Pathway for the ASEAN QR Code Initiative**

**Mr. Yos Kimsawatde**, Senior Advisory to the Payment System Office, The Thai Bankers' Association\*

**End-to-End Digitalization of Trade and Supply Chain Finance – The Road Ahead**

**Mr. Oswald Kuyler**, Senior Digital Trade Advisor, Asian Development Bank (ADB)\*

**Promoting Interoperable Open Data Systems**

**Professor Nafis Alam**, Ambassador, Emerging Payments Association Asia (EPAA); and Professor and Head of the School of Business, Monash University Malaysia

**Protecting Consumers from Risks in the Digital Age: Lessons from Malaysia's National Fraud Portal**

**Mr. Ken Yon Kian Guan**, Senior Director, Risk & Compliance Division, PayNet (Payments Network Malaysia)

**Creating an Enabling Ecosystem for Digital Finance and MSME Empowerment**

**Mr. Jinchang Lai**, Sherpa, APFF Financial Infrastructure Development Network; and Principal Operations Officer, Financial Infrastructure Lead, Financial Institutions Group, International Finance Corporation (IFC)

12:15-13:45 **LUNCH BREAK**

13:45-15:00 **SESSION THREE (Panel Discussion): BUILDING THE MARKET INFRASTRUCTURE FOR EXPANDED ACCESS TO FINANCE**

**Moderator: Mr. Tat Yeen Yap**, Sherpa, APFF Digital Trade Finance Lab; and Head of Supply Chain Solutions, Maybank Singapore

**Advancing the Legal Infrastructure for MSMEs' Movable Asset Financing**

**Ms. Athita Komindr**, Head, United Nations Commission on International Trade Law Regional Centre for Asia and the Pacific (UNCITRAL RCAP)\*

**Unlocking Access to Credit: Reform Strategies to Support the Credit Ecosystem for Intangible Assets**

**Prof. Giuliano Castellano**, Sherpa, APFF Intellectual Property Finance Working Group; and Associate Professor of Law, The University of Hong Kong

**Promoting Sustainable Innovation Through IP-Credit-Based Finance**

**Mr. Johnson Kong**, Sherpa, APFF Intellectual Property Finance Working Group; and Board Member, International Intellectual Property Commercialization Council (IIPCC)

**Market Infrastructure for Deep-Tier Supply Chain Financing**

**Mr. Chetan Talwar**, Senior Investment Specialist, Trade & Supply Chain Division, Asian Development Bank (ADB)\* and **Mr. T.S. Shankar**, Asia Representative, BAFT (Bankers

Association for Finance and Trade)

**Financing the Needs of Enterprises and Consumers in the Informal Economy**

**Mr. Emmanuel A. San Andres**, Senior Analyst, APEC Policy Support Unit

**Empowering the Underserved: Future Directions for Financial Inclusion**

**Mr. Sai Krishna Kumaraswamy**, Financial Sector Specialist, CGAP

15:00-16:15

**SESSION FOUR: (Panel Discussion): SECURING SOUTHEAST ASIA'S ACCESS TO EFFICIENT AND SUSTAINABLE ENERGY**

**Moderator: Ms. Manon Bernier**, Deputy Resident Representative for Malaysia, Singapore and Brunei Darussalam, UNDP

**Financing the Region's Energy Transition: The Role of Interoperable Taxonomies and Sectoral Roadmaps**

**Mr. Eugene Wong**, Chief Executive Officer, Sustainable Finance Institute Asia

**Regional Cooperation in Accessing Finance for Sustainable Energy Projects: The Role of the Asia GX Consortium**

**Mr. Satoshi Ikeda**, Chief Sustainable Finance Officer, Financial Services Agency, Government of Japan

**Promoting Domestic and Regional Coordination on Sustainability Reporting in Southeast Asia**

**Mr. Kosintr Puongsophol**, Senior Financial Sector Specialist, Asian Development Bank (ADB)

**Investor Perspectives on Asia's Medium-Term Transition Outlook and Policy Signals Needed to Support Financing**

**Ms. Chaitra Nayak**, Programme Manager, Just Transition, Asia Investor Group on Climate Change (AIGCC)

**Prospects for Harnessing Carbon Markets in Promoting ASEAN's Energy Security, Efficiency and Sustainability**

**Dr. Renard Siew**, President, Malaysia Carbon Markets Association (MCMA); and Group Head of Corporate Sustainability, Yinson

16:15-16:30

**Break**

16:30-17:25

**SESSION FIVE: INNOVATING TO ENSURE FUTURE RESILIENCE**

**Moderator: Dr. Julius Caesar Parreñas**, Coordinator, Asia-Pacific Financial Forum (APFF) and Asia-Pacific Infrastructure Partnership; and Managing Director, Sumitomo Mitsui Banking Corporation (SMBC)

**Navigating Southeast Asia's Risk Landscape**

**Mr. Justin Tanjuakio**, FSA, CERA, Director, Insurance Industry Practice Lead, Moody's Analytics

**Preparing the Region for Future Pandemics**

**Mr. Ajay Sadana**, Head of Origination ERS, Munich Re

**Promoting Regional Public-Private Collaboration to Build Long-Term Resilience in Southeast Asia**

**Ms. Min Hung Cheng**, Chief Executive Officer, Global Asia Insurance Partnership\*

17:25-17:30

**CLOSING SESSION**

**Summary, Next Steps and Concluding Remarks**

**Dr. Julius Caesar Parreñas**, Coordinator, Asia-Pacific Financial Forum (APFF) and Asia-Pacific Infrastructure Partnership; and Managing Director, Sumitomo Mitsui Banking Corporation (SMBC)

**Master of Ceremonies: Mr. Nur Redzlan**, Programme Executive, ASEAN Business Advisory Council Malaysia

ABAC- APFF-APFIF- APIP HYBRID FINANCE ROUNDTABLE

**MOBILIZING PRIVATE CAPITAL FOR INNOVATIVE, RESILIENT AND SUSTAINABLE GROWTH: New Medium-Term Priorities for APEC**

*Co-organized by*

APEC Business Advisory Council (ABAC)

Asia-Pacific Financial Forum (APFF)

Asia-Pacific Infrastructure Partnership (APIP)

Asia-Pacific Financial Inclusion Forum (APFIF)

*Hosted by*

Sumitomo Mitsui Banking Corporation (SMBC)

23 June 2025, 09:30-17:00 JST

28F, SMBC East Tower, 1-3-2, Marunouchi, Chiyoda-ku, Tokyo, Japan

*\*Participating virtually*

**09:30-09:40 OPENING SESSION**

**Welcome and Opening Remarks**

**Mr. Mitsuhiro Furusawa**, Member, ABAC Japan; Co-Chair, Asia-Pacific Financial Forum (APFF) and Advisory Group on APEC Financial System Capacity Building; and President, Institute for Global Financial Affairs, Sumitomo Mitsui Banking Corporation (SMBC)

**09:40-10:50 SESSION ONE (Panel Discussion): UNLOCKING PRIVATE CAPITAL TO FINANCE STRONG AND SUSTAINED GROWTH**

*Moderator: Mr. Yoshimasa Moriguchi, Chief Senior Economist, the Japan Research Institute*

**Mobilizing Capital for Growth: The Role of Policy, Regulatory and Industry Reforms**

**Mr. Hiroshi Nakaso**, Chairman, FinCity Tokyo; Chairman of the Institute, Daiwa Institute of Research; Convenor, ABAC Voluntary Carbon Markets Pathfinder Initiative; and former Deputy Governor, Bank of Japan (BOJ)

**Creating the Policy Ecosystem for a Dynamic Asset Management Industry**

**Mr. Masaaki Iizuka**, Deputy Commissioner for International Affairs, Financial Services Agency, The Government of Japan

**Addressing Key Macroeconomic Risks for Long-Term Investors**

**Mr. James Mori**, Senior Director, Mountain Pacific Group; and Former Head of Swap and Derivatives Group, Chase Manhattan Bank Tokyo

**Building Capacity for Pension Fund Investment in Private Market Assets**

**Mr. Josef Pilger**, Co-Sherpa, APFF Pension Fund Working Group; NED, Senior Advisor, Author and Former EY Global Pensions & Retirement Leader\*

**Financing Investment Gaps for Digital Transformation, Energy Transition and Security**

**Ms. Angela Tien**, Director, Partnerships & Innovation, Global Corporate Banking, OCBC Bank\*

**10:50-11:10 Break**

**11:10-12:20 SESSION TWO (Panel Discussion): THE DIGITALIZATION OF FINANCIAL SERVICES – BREAKING THROUGH THE BARRIERS**

*Moderator: Mr. Ken Katayama, Co-Sherpa, APFF Financial Market Infrastructure Network; and Senior Chief Researcher, Nomura Research Institute*

**Achieving End-to-End Digitalization of Trade Finance: Perspectives from Japan**

**Mr. Hiroyuki Kubooka**, Deputy Head of Chief Executive Officer, General Manager of Global & Alliance Office; **Mr. Munetoshi Yamada**, Project Manager; and **Ms. Kaori Ueno**, Global Team Leader, TradeWaltz

**Regional Cooperation to Promote the Digitalization of Trade Finance**

**Ms. Carmen Maria Ramirez**, Relationship Manager, Trade and Supply Chain Finance

Program, Asian Development Bank (ADB)\*; and **Mr. Oswald Kuyler**, Senior Digital Trade Advisor, ADB\*

### **Asset Tokenization, its Impact on Finance and Implications for Policy and Regulation**

**Dr. Florian Spiegl**, Founder & CEO, Evident\*

### **The Evolution of Stablecoins, Its Impact on Finance and Business and Implications for Policy and Regulation**

**Mr. John Fildes**, Capital Markets Practice Lead and Expert Partner, Bain & Company\*

**12:20-14:00 LUNCH BREAK**

### **14:00-15:10 SESSION THREE (Panel Discussion): ENABLING INNOVATIONS IN DISASTER RISK FINANCING AND INSURANCE**

*Moderator: Ms. Mina Kajiyama, Co-Sherpa, APFF Disaster Risk Financing and Insurance Network; General Manager, Government and External Relations, Tokio Marine Holdings*

#### **Promoting Resilience against Natural Catastrophes in East and Southeast Asia: The Way Forward for Regional Collaboration**

**Mr. Takahiro Yamakawa**, Deputy Director, Regional Financial Cooperation Division, International Bureau, Ministry of Finance, The Government of Japan

#### **Overview of the Protection Gaps in the Asia-Pacific Region and the Catastrophe Bond Market**

**Ms. Sumati Rajput**, Senior Financial Sector Specialist, The World Bank\*

#### **Confronting Growing Protection Gaps in Asia-Pacific Developing Economies: The Philippine Experience**

**Ms. Shannen Nicole Chua**, Implementation and Program Development Specialist, Southeast Asia Disaster Risk Insurance Facility (SEADRIF) Insurance Company\*

#### **APFF's Work on Catastrophe Bonds and Hydrometeorological and Climate Risk Financing and Insurance**

**Mr. Masaaki Nagamura**, Sherpa, APFF Disaster Risk Financing and Insurance Network; and Fellow, International Initiatives, Tokio Marine Holdings

#### **Forging Stronger Public-Private Partnerships in DRFI**

**Ms. Ekhusuehi Iyehen**, Secretary General, Insurance Development Forum (IDF)\* [Video interview]

**15:10-15:30 Break**

### **15:30-16:50 SESSION FOUR (Panel Discussion): SCALING UP FINANCING FOR SUSTAINABLE GROWTH**

*Moderator: Ms. Ayako Kageyama, Head, Innovative Sustainable Finance, Nippon Life Insurance Company\**

#### **Financing the Transition to a More Sustainable Future: Key Elements from Japan's Experience**

**Ms. Takako Onitsuka**, Director, Environmental Finance Office, GX Policy Group, Ministry of Economy, Trade and Industry, Government of Japan

#### **Laying the Foundations of a Regional Market for Transition Finance**

**Mr. Satoru Yamadera**, Advisor, Asian Development Bank

#### **Planning for a Just Energy Transition**

**Mr. Donald Eubank**, Secretariat Lead, Facility-Level Just Transition Workshop Group, Climate Finance Asia; and Principal, Read The Air

#### **Charting the Way Forward to Sustainable Growth: Perspectives from the Asian Financial Industry**

**Ms. Diana Parusheva-Lowery**, Managing Director, Asia Securities Industry & Financial Markets Association (ASIFMA)

#### **Forging a Pathway for the Legal Interoperability of Carbon Markets: Update on the Work of UNIDROIT on Principles on the Legal Nature of Verified Carbon Credits**

**Professor Megumi Hara**, Professor of Law, Chuo University; Member, UNIDROIT Working Group on the Legal Nature of Verified Carbon Credits and Private Law

**16:50-17:00**

**CLOSING SESSION**

**Closing Remarks**

**Mr. Mitsuhiro Furusawa**, Member, ABAC Japan; Co-Chair, Asia-Pacific Financial Forum (APFF) and Advisory Group on APEC Financial System Capacity Building; and President, Institute for Global Financial Affairs, Sumitomo Mitsui Banking Corporation (SMBC)

***Master of Ceremonies:** Dr. Julius Caesar Parreñas, Coordinator, Asia-Pacific Financial Forum (APFF) and Asia-Pacific Infrastructure Partnership (APIP); and Managing Director, Sumitomo Mitsui Banking Corporation (SMBC)*